A Work Project, presented as part of the requirements for the Award of Masters Degree in Management from NOVA School of Business and Economics

Evaluation of the impact of L'Oréal's acquisition of The Body Shop on both brands

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A project carried out on the Management course, under the supervision of:

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June 2012

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1. Abstract

This research aims to study the impact that L'Oréal's acquisition of The Body Shop had on consumers' identification with both brands. Our research was based on the assumption that because both companies have different cultures and values, this could lead to changes in their brand identifications. Consumers from both brands were evaluated separately and both samples were further divided into two sub-samples: the ones that had previous knowledge about the acquisition and the ones who didn't.

Through this research we concluded that consumers from both brands are environmentally-conscious and also that both considered that company's social responsibility practices heavily weighed when deciding where to buy. This research was developed based on the Consumer-Company Identification model with some adaptations based on the recent literature. The results suggest that consumers have a strong relationship with both brands. Those who knew a priori about the acquisition expressed that it didn't have much impact on their perception and purchase behavior. For those who only acknowledged it during the research also demonstrated a remaining strong brand identification (with both brands), although with results weaker than before.

Keywords: Consumer-Company Identification, The Body Shop, L'Oréal, Corporate Social Responsibility (CSR), Environment.

2. Introduction

This Work Project is about L'Oréal – one of the biggest multinational companies operating in the Beauty and Cosmetics industry. More specifically, it is about its sub-brand, The Body Shop, which operates in the natural and organic industry of beauty and cosmetics. L'Oréal acquired The Body Shop in March 2006, at a period when The Body Shop was going through difficult times. The main goals for L'Oréal were "to increase The Body Shop's growth while adding a complementary brand with a strong identity and values to its portfolio"[1], to enter into the natural and organic industry and to learn from The Body Shop about their environment and Human Rights commitment[2]. At the same time, The Body Shop would benefit from L'Oréal's expertise in management, marketing and research & development. Therefore, L'Oréal was expecting that this acquisition "would bring a great deal of credence to the company's business portfolio"[1]. However, this acquisition received much criticism as a result of the huge difference of the values supported by each company[2].

My interest arose from my participation in *L'Oréal Brandstorm 2012*, which was focused on The Body Shop. I decided to develop my research to understand the relationship consumers have with both companies and how much the acquisition affected it. I based my research on the Consumer-Company Identification Model (Sen and Bhattacharya, 2003; Currás-Pérez et al., 2009; Papavasileiou et. al., 2009), which considers several elements that contribute to the development of a strong relationship between consumers and the company.

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[1] http://www.cosmeticsdesign.com/Business-Financial/Body-Shop-gives-nod-to-L-Oreal-takeover [Accessed February 2012]
[2] http://www.oikos-international.org/fileadmin/oikos-international/international/Case_competition/Inspection_copy_ICFAI2007.pdf [Accessed February 2012]

3. Literature Review

3.1 Beauty and Cosmetics Industry

The Beauty and Cosmetics Industry is a complex and huge market, which involves several categories (hair care, bath and shower, skin care, fragrances, makeup, shaving products, baby care, among others.) and a vast number of distribution channels (retailing, supermarkets, pharmacies, internet and franchise outlets). In this way, the number of companies competing in this market is tremendous, which makes it strongly **concentrated**, with L'Oréal Group, Procter & Gamble and Unilever being the major players in this industry[3]. Moreover, many companies are now entering in a natural and organic beauty industry[4].

Europe experienced an exponential growth between 2008 and 2009. This industry is reaching maturity, and companies are following a natural trend that has been rising over the last few years by launching organic products in order to differentiate themselves from competitors and improve results[5]. In the **United States of America** only 33% of people stated to have never used natural and organic products, with the young population being the one with more experience in this industry[6]. More specifically in **Portugal**, sales of Beauty and Cosmetics industry continues to grow despite the current economic situation (2% market growth in 2009)[6]. Although there was an economic downturn, which led consumers to be more rational with purchases, Portuguese consumers consider these as affordable and indispensable luxury goods. In the near future, it is expected that innovation, technology and organic trends will drive the market (*Euromonitor international*).

3.2 Consumers are becoming more environmentally and health-conscious

Market trends and consumer needs are changing. While in the past, consumers were mostly price driven, nowadays service and quality also have a strong impact on consumers' purchase

[3] http://ec.europa.eu/enterprise/newsroom/cf/_getdocument.cfm?doc_id=4561 [Accessed March 2012]
[4] http://www.cosmeticsdesign.com/Market-Trends/Organic-beauty-products-to-drive-cosmetics-industry-in-near-future-RNCOS [Accessed February 2012]
[5] Organic Beauty: Trans Global Trend Watch, January 2010 (L'Oréal Brandstorm document).
[6] Beauty and Personal care report – Portugal (L'Oréal Brandstorm document).

decisions[7]. Consumers are becoming more health-conscious and highly involved in protecting the environment (LOHAS)[8], which means the demand for organic and natural products has been increasing. They are taking into consideration not only quality and price, but also product's safety and healthiness, while avoiding ones that are chemically and synthetically saturated. Moreover, consumers are willing to pay a higher price for green products (Boston Consultancy Group, 2009), and consider that companies should offer natural and organic products (66% of the consumers state that).

Furthermore, consumers are looking beyond the product. They are now also interested in the producer, in the company, giving importance to what they are doing to promote social welfare. People are expecting that if they are changing their behavior towards environment, companies should do it as well. Indeed, the trend of not buying products from a brand whose practices they dislike has been increasing since 2005 (LOHAS, 2010).

Considering the facts stated above, the following hypotheses are proposed, to understand L'Oréal and The Body Shop consumers' attitudes towards environment:

H1: *L'Oréal/The Body Shop consumers are positively influenced by the company's social responsibility practices.*

H2: *L'Oréal/The Body Shop consumers are environmentally-conscious.*

3.3 Big companies are acquiring small companies that have strong Corporate Social Responsibility (CSR) activity

Nowadays, mergers and acquisitions can play an essential role in the development of a sustainable competitive advantage. There is a tendency for big companies to acquire small companies with strong CSR activity, in order to take advantage of the exponential increase of sales that ethical products are having[9]. Thus, several big multinational companies, instead of

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[7] The Changing Face of Consumers values. Available at: http://www.afsd.au/article/action3a.htm [Accessed March 2012]
[8] Lifestyle of Health and Sustainability: Available at: http://www.lohas.com/consumers-individual-action-lohas-space-global-perspective
[9] www.ethicalconsumer.org/commentanalysis/features/ethicalcompanytakeovers.aspx [Accessed March 2012]

adjusting their strategy or developing a new one, are entering in this market by acquiring small companies that have strong and effective CSR practices, in order to enter into the industry of natural products and reach the segment of consumers that are following the *green* trend. Some examples are the acquisition of Ben&Jerry by Unilever, the Stonlyfields by Danone and The Body Shop by L`Oréal (Mirvis, 2008).

Although this may seem a less risky decision and more profitable in the long-run, several questions are arising concerning the possibility of big companies to learn about social responsibility from these acquisitions and, more importantly, the influence these acquisitions will have not only on the acquired company, but also on the acquiring one (Mirvis, 2008).

3.4 L'Oréal's acquisition of The Body Shop

L'Oréal is one of the biggest multinational companies operating in the Beauty and Cosmetics Industry reaching several different segments under well-known brands, such as Maybelline, L'Oréal Paris, Lancôme, Vichy, The Body Shop, among others. The diversity and complementary nature of their brands are a consequence of their commitment to enhance all forms of beauty and well-being, allowing them to capture the majority of this industry. The **Body Shop** was acquired by L'Oréal in March 2006. It was established in Brighton, United Kingdom, in 1976 by Anita Roddick, a famous activist known by her innovative thinking, integrity and social responsibility. Its credibility and reputation derives essentially from its values (against animal testing, protect the planet, support community trade, defend human rights and activate self-esteem).

This acquisition received many criticisms at the time, due essentially to difference of values. Although L'Oréal had stated they had stopped testing on animals[10], several articles have claimed that these practices still remain[11], which was going against one of The Body Shop's

[10] http://oxfordjasmine.blogspot.com/2009/07/loreals-animal-testing-policy.html [Accessed February 2012]
[11] http://www.theecologist.org/green_green_living/behind_the_label/1008667/behind_the_brand_loral.html [Accessed March 2012]

core values (Mirvis, 2008). Although the potential growth opportunities were easily visible, there was a concern regarding the possibility of The Body Shop losing their main competitive advantage: their strong ethical standards[9]. However, Anita Roddick claimed that they "won't change The Body Shop's core values"[12], since The Body Shop would continue to operate independently. Instead, she claimed that L`Oréal was going to be the one transformed and influenced by their practices and values. At the time, there was a concern that "consumers would switch for other natural and organic personal care products for ethical reasons"[13]. Although this acquisition was supposed to also allow L'Oréal to learn from The Body Shop about CSR, there is not much evidence about their behavior changing (Mirvis, 2008). Additionally, it is also mentioned that L'Oréal is not being able to benefit from what The Body Shop can offer. "Despite the growing health and awareness trend, L'Oréal has not been able to make the most of The Body Shop"(*Euromonitor International, June 2011*).

3.5 Consumer-Company Identification Model (C-C Identification)

The **Consumer-Company identification** Model (Bhattacharya and Sen; 2003) was a continuous research on consumer-company relationship studied by several authors (Currás-Pérez, Bigné-Alcañiz and Alvarado-Herrera, 2009; Hildebrand, Fernandes, Veloso and Slongo, 2010). This model intends to understand "why and under what conditions consumers enter into strong, committed and meaningful relationships with certain companies" (Bhattacharya and Sen, 2003: 76). This model had already been used to study the Toiletries and Cosmetics industry, since "this industry includes self-expression products which are particularly relevant in building individuals' personal identities" (Currás-Pérez et al., 2009). Hence, we will use this model to understand consumers' relationship with both companies, L'Oréal and The Body Shop, and to understand the impact the acquisition had on consumers' identification with both companies. The C-C Identification Model is developed through several steps. This analysis will

[12] http://www.anitaroddick.com/readmore.php?sid=548 [Accessed March 2012]
[13] www.organicmonitor.com/r2003 [Accessed March 2012]

be based on the one developed by Bhattacharya and Sen (2003), taking also into account some considerations from Currás-Pérez et al. (2009) and Hildebrand et al. (2010).

The first step of this model is the development of the (perceived) company identity – "a subset of company associations" which consumers identify with (Bhattacharya and Sen, 2003: 78), which is transmitted through different elements such as corporate social initiatives. This will be the only element considered in this analysis, based on Currás-Pérez et al. (2009). This author incorporated in the model the perception of CSR image as an antecedent of C-C Identification. The role of CSR in building brand identity and brand reputation became crucial since consumers are becoming more skeptical about corporate promises (Vassileva, 2009). Moreover, a socially responsible company is perceived by consumers as having a greater reputation and CSR is, in fact, one element that differentiates a company from competitors. Therefore, when a company acts socially responsible, it is more likely that consumers will feel attracted to it (Currás-Pérez et al, 2009). Besides, CSR practices being one of the factors that influence the development of the perceived company identity, as mentioned before, it can be considered as an influencer to all the elements that mediate the construction of the identity attractiveness.

Thereupon, the **second step** is when their perception about the brand becomes attractive – Identity Attractiveness (how attractive consumers consider the company identity). There are several elements that mediate this process: *identity similarity* – how similar consumers perceive their own identity with the company identity; *identity distinctiveness* – how distinctive the company is in consumers' eyes on the dimensions they value; *identity prestige* – how prestigious it is in consumers' mind. These variables change from company to company, being influenced by their perception about the coherence and consistence (*identity coherence*), the honesty and reliability (*identity trustworthiness*)[14].

[14] In Cosmetics and Beauty industry brand's prestige is difficult to define and to distinguish from brand distinctiveness (conclusion that arose during pilot testing), so it is not going to be considered on this analysis of the C-C Identification Model.

Finally, the identity attractiveness will influence consumer-company identification. C-C identification is a "cognitive state of self-categorization, connection and proximity of the consumer to the company" (Currás-Pérez et al., 2009), which also depends on the involvement consumers feel when interacting with the company. Hence, by going through all these stages consumers will develop a strong relationship with the company, which will lead to company loyalty, company promotion, customer recruitment, resilience to negative information and stronger claim on the company (Bhattacharya and Sen, 2003).

In addition, it is also stated that the impact of the acquisition of strong socially responsible companies (Papavasileiou et al., 2008) depends on the (1) CSR profile of both companies; (2) consumers' attributions regarding companies' CSR polices (extrinsic attributions – when their primary concern is their own welfare; intrinsic attributions – when their primary concern is to increase society's welfare); and (3) consumers' social orientation. Regarding this, these authors state that these acquisitions have a significant impact on consumers' identification with both companies. Moreover, they also state that "when consumers do not attribute strong intrinsic motives for the acquiring company to engage in CSR, consumers identify less with the acquired company regardless of its focus" (Papavasileiou et al., 2008: 1015). Moreover, they also suggest that a strategy for low CSR companies to strengthen consumers' affiliations is to acquire a socially responsible company and promote social motivations through communication. Therefore, nowadays the communication of CSR initiatives is one of the most used tools to generate C-C identification (Currás-Pérez et al., 2009).

Furthermore, although the impact of the CSR image was only measured on brand distinctiveness (Currás-Pérez et al., 2009), based on the recent literature and considering the companies that are being studied in this model, we will analyze its impact on all the antecedents of Identity Attractiveness (Identity Similarity, Identity Distinctiveness, Identity Coherence and Identity Trustworthiness). Finally, it is also stated that "companies must be concerned with the employment of CSR initiatives because different types of CSR initiatives trigger different perceptions of the corporation and different behavioral intentions." (Lii, Yuan-Shuh, 2010: 1642).

Hence, we built the model depicted in **figure 1** and the hypotheses that will be studied in this research are the following:

H3: *CSR image positively influences Identity Similarity;*

H4: *CSR image positively influences Identity Distinctiveness;*

H5: *CSR image positively influences Identity Coherence;*

H6: *CSR image positively influences Identity Trustworthiness;*

H7: *Identity Attractiveness is positively influenced by Identity Similarity;*

H8: *Identity Attractiveness is positively influenced by Identity Distinctiveness;*

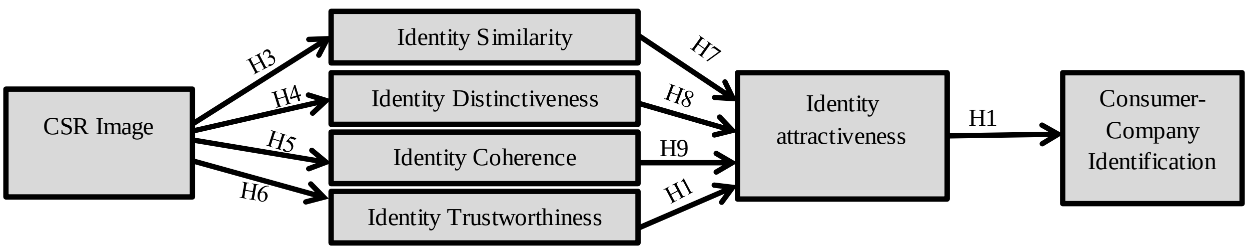
H9: *Identity Attractiveness is positively influenced by Identity Coherence;*

H10: *Identity Attractiveness is positively influenced by Identity trustworthiness;*

H11: *Identity Attractiveness positively influences Consumer-Company Identification;*

H12: *The acquisition positively influenced C-C identification for both the acquiring and the acquired company.*

Figure 1: Consumer-Company Identification Model



4. Methodology

<u>*Sample*:</u> The goal of this project is to study the impact that the acquisition had on the C-C identification of both the <u>acquired and the acquiring company</u>. Thus, our sample is the people (mostly women) who purchase cosmetic and beauty products in The Body Shop or in L'Oréal, in Portugal. Both groups of consumers will be analyzed separately.

Procedures: The research method used in this study was a quantitative research. We developed a questionnaire (appendix 1) that was sent by e-mail and via social media websites, as *Facebook*. To guarantee enough respondents and arrive at an accurate analysis, we used 3 *non-probabilistic sampling* methods (Malhotra and Birks, 2007):

- Convenience: Friends, family and colleagues that presented the requirements needed.
- Snowball: The ones selected above forwarded the online questionnaire to others that also met the requirements.
- Internet: Given the fact that no database was available, we selected people that belonged to The Body Shop/L'Oréal groups on social media websites, such as *Facebook* (The Body Shop Facebook page) and The Body Shop blogs, such *as Body Shop Mania*[15], since we expected that the ones who follow these website pages are The Body Shop consumers. Moreover, the same was done for L'Oréal consumers[16].

From these techniques we arrived at a final sample of 259 respondents (124 from The Body Shop and 135 from L'Oréal).

Measures: Measurements according to the C-C identification model were based on several authors: the variables **identity attractiveness** (3-item), **identity coherence** (3-item), **identity distinctiveness** (3-item), **C-C identification** (5-item) and **CSR image** (4-item) were measured with seven point likert scales developed by Currás-Pérez et al. (2009). **Identity Similarity** was measured based on a 4-item, seven point likert scale developed by Hildebrand et al. (2010), being the factor 3 – *Dimension related to the construction of Self-concept* and factor 4 – *dimension related to the shared characteristics between individual and the company*, the ones considered to be accurate to measure this variable. Moreover, the variable **Identity trustworthiness** was based on a 3-item, seven point likert scale by Stanaland et al. (2011)

[15] http://bodyshopmania.blogspot.pt/search?updated-max=2012-01-25T14:00:00Z&max-results=4 [Accessed March 2012]
[16] http://www.alittleobsessed.co.uk/2012/02/loreal-its-all-in-eyes.html [Accessed March 2012]

research. These scales were used to measure all the variables presented in the hypotheses referred to the model. Additionally, for hypothesis 12, the C-C Identification scale referred above was used again to study the differences between consumers before and after acknowledging that the acquisition had occurred.

Regarding the consumers profile, hypothesis 1 will be measured based on a descriptive statistical analysis based on one variable, with a 5-item, five point scale (agree/disagree) of **consumers' stated support of socially responsible business (SC)** (Pomering and Dolnicar, 2008) and the variable from hypothesis 2 will be measured based on the 30-item, five point scale (agree/disagree) **ecologically conscious consumer behavior (ECCB)** scale developed by Robers and Bacon (1997), which includes 6 different groups of environmentally conscious behavior. Although there are several environmentally consciousness measurement scales (Schlegelmilch et al, 1996; Laroche et al, 2001), this one seemed most appropriate as it intends to specifically measure ecologically conscious consumer behavior (appendix 2).

Additional considerations: Besides the necessary variables from the C-C Identification model, and the ones concerning the consumers' environmentally conscious behavior, other questions were addressed: a filter question to identify who buys cosmetic and beauty products, (in order to avoid answers from the ones who are not consumers); a question that studies the level of influence that several characteristics (brand image, ingredients, promotion, among others) have on consumers' purchase decision, based on an example of a marketing research questionnaire[17]. Moreover, another filter question was addressed in order to identify who The Body Shop/L'Oréal consumers are. Only these consumers would be able to answer the questions addressed to study the hypotheses proposed above. Finally, a question was set to understand who was aware of the acquisition of The Body Shop by L'Oréal, splitting the ones who had previous knowledge before the questionnaire, and the ones who didn't. For each group of

[17] Scale used in the marketing research course

respondents, different questions were addressed in order to understand the impact of this acquisition on their brand's identification.

Pilot questionnaire: The final questionnaire was tested by 10 respondents before it was forwarded to the whole sample, to guarantee the comprehension and precision of all questions. Through this test, it was understood that the distinction between Brand Prestige and Brand Distinctiveness could not be well perceived by respondents, so that is why it was not included in the model. Additionally, only a few minor changes were raised by the pre-test, mainly related to specific language that was not clear to all respondents.

5. Data Analysis

The next step was the analysis of both questionnaires. We used Microsoft Excel and the variables were codified. The incomplete questionnaires were excluded (20 from The Body Shop's questionnaire and 35 from the L'Oréal's questionnaire). Afterwards, all data was analyzed using *SmartPLS 2.0* through the use of Structural Equation Modeling (appendix 3), except the reliability of SC and ECCB scales, which were analyzed using SPSS software (PASW Statistics 18).

Sample T_x was the denomination chosen to represent each sample, where x=bs, when referring to The Body Shop consumers, and x=L, when referring to L'Oréal consumers. Moreover, *Sample* T_x was divided into two sub-samples: one subsample with the ones that knew a priori about the acquisition, *sample* Y_x; and another subsample with the ones that didn't know about the acquisition, *sample* N_x.

Furthermore, the **reliability analysis** was computed for each scale. To do so, it was measured the *Cronbach Alpha* coefficient -"determines the internal consistency or average correlation of items in a survey instrument to gauge its reliability" (Santos, 1999), considered acceptable above 0.7; the *Average variance extracted* (AVE) – "average amount of variation that a latent construct is able to explain in the observed variables to which it is theoretically related", (Farrel, 2009), acceptable above 0.5; and the composite reliability (CR), acceptable above 0.6. Moreover, in order to measure the **linear dependence** of the latent variables- "unobserved or unmeasured variables that represent abstract concepts or theoretical constructs that cannot be measured directly" (Malhotra and Birks, 2007), we analyzed their correlations, which gives values between a range of -1 (perfectly negative correlation) and +1 (perfectly positive correlation) – the closer the values are to +1 (-1), the stronger are the correlations.

After analyzing the model using the software, no adjustment was needed since all factor loadings of the latent variables for The Body Shop's sample were acceptable. All variables from C-C Identification Model also presented acceptable reliability coefficients (for $T_{bs,}$, Y_{bs} and N_{bs}), with all c*ronbach's alpha* values above 0.72; AVE values between 0.53 - 0.92; and CR values above 0.80 (appendix 4, table 4.1).The same happened with SC and ECCB scales, with *cronbach's alpha* values of 0.829 and 0.941, respectively (appendix 4, table 4.3). Moreover, by observing appendix 5.1 we see that all variables from C-C Identification Model and SC scale have positive correlations, with results between 0.28 and 0.89. ECCB is the only scale presenting an item with negative correlation (item 22), which can be explained by the fact that it has an inverse meaning from all of the others. Regarding the L'Oréal sample, when analyzing its variables reliability, we arrived at a *cronbach's alpha* of $0.53 < 0.7$ and an AVE $0.42 < 0.5$, for Identity Similarity (sample Y_L). For all other variables and all samples /sub-samples, all values were within the minimum requirements (appendix 4, tables 4.2/4.4). Nevertheless, we maintained the variable in the model, since its Composite Reliability is considerably high.

To study the structural equation modeling, we analyzed the T-statistics of each parameter, where evidence of significance is displayed with a t-value higher than 1.96. Finally, the hypotheses previously defined, were analyzed based on the sample T_x, except for the hypotheses 11 and 12. In those cases, we based our study on sub-samples in order to understand the impact the acquisition had on both type of respondents (the ones who had previous knowledge about the acquisition, and the ones who didn't).

6. Results

Sample Composition: The total sample was composed of 259 respondents, 124 from The Body Shop questionnaire and 135 from the L'Oréal. In both questionnaires, filter questions were added in order to exclude those who didn't purchase cosmetic and beauty products and those who weren't The Body Shop/L'Oréal consumers.

Starting with The Body Shop consumers, although 124 had filled the questionnaire, only 77 respondents – *sample* T_{bs} - were considered (since 5% didn't purchase cosmetic and beauty products, 17% didn't purchase it at The Body Shop and 16% didn't complete the questionnaire). From this sample 95% were female, the majority of which were between 18 and 25 years old (51%). Moreover, 18% belonged to the 26 – 39 age group, 26% were older than 40 years old and the rest younger than 18. Regarding education and occupation, 80% had graduated (Bachelor and/or Masters), 50% were students and 42% employed. Furthermore, 55% were from Lisbon, 26% from the north of Portugal, 18% from the south and 1% from Madeira. Additionally, 29% stated to make occasional purchases at The Body Shop, 16% once every 3 months or once every month and 16% every time they needed (appendix 6.1). Finally, only 21% of the respondents knew about the acquisition (*sample* Y_{bs} – 17 respondents and *sample* N_{bs} – 60 respondents).

Regarding L'Oréal consumers, although 135 had answered the questionnaire, only 87 respondents were considered – *sample* T_L – since 10% didn't purchase cosmetic and beauty products or didn't purchase it from any L'Oréal brands and 26% didn't finish the survey. From these 86 respondents, 60% purchase L'Oréal Paris products, 30% from Maybelline, 21% from Lancôme, and 32% from The Body Shop, among others. In terms of gender and age group, 98% were females, and the vast majority belonged to the 18-25 age group (79%). Moreover, 85% had graduated (Bachelor and/or Masters), among those 66% students and 27% employed. Additionally, most were from Lisbon (77%), 11% were from the north of the country and 12% from the south. Regarding their frequency of purchase, 31% purchased occasionally, 29% purchased once a year or every six months and 17% purchased every time they need (appendix 6.2). Finally, 88% of the respondents weren't aware about the acquisition (*sample* Y_L – 15 respondents and *sample* N_L – 72 respondents).

6.1 Hypotheses Analysis

(All the hypotheses can be observed in more detail in appendices 7 - The Body Shop, 8 - L'Oréal, and correlations results in appendix 5).

Hypothesis 1: The first hypothesis measures the impact the company's social responsibility has on consumers. When facing the possibility of two products with same quality/price, consumers clearly stated to purchase the one which had a better social responsibility reputation (average 4.32/5 (T_L) and 4.61 /5 (T_{bs})). Moreover, through other results we got an average above 3 out of 5 in every other item, with The Body Shop consumers' averages higher than those of L'Oréal. Actually, in the L'Oréal responses we observe that in 3 out of the 5 items, more than 55% of consumers agreed or strongly agreed with it, whereas in The Body Shop's responses, in all items received more than 55%. In this way, by using a **descriptive statistical analysis**, we can state that both The Body Shop and L'Oreal consumers are positively influenced by socially responsible practices (table and graphic 7.1 – appendix 7; table and graphic 8.1 – appendix 8).

Hypothesis 2: The second hypothesis measures consumers' behavior concerning the environment. By this analysis we can state that products made with recycled paper are not one of L'Oréal's consumers' priorities (averages below 2.5 out of 5), while for The Body Shop consumers, they actually care more about it (average values between 2.65 and 3.08, out of 5), although it is not the behavior that they most highlight. All other results presented averages above 2.5, as the electricity savings (both through bulbs and appliances) presented higher values of agreement – more than 59% stated to agree or strongly agree with appliance efficacy concern and around 70/80% declared to care about bulbs efficiency (for both brands). Therefore, by using a **descriptive statistical analysis** we can state that L'Oreal consumers are environmentally conscious. (Table and graphic 7.2 – appendix 7; table and graphic 8.2 – appendix 8)

Hypothesis 3: This hypothesis relates the perceived CSR image with Identity Similarity. As we can see, there is a strong positive correlation between these two variables (0.67 - T_{bs} and 0.61- T_L). Moreover, its parameters are statistically significant (**t-value**= 7.68 (T_{bs}) and 7.11(T_L); > 1.96) and have a positive **path coefficient** (0.547(T_{bs}) and 0.499(T_L)). Therefore, by not rejecting Hypothesis 3 for any sample we can say that for L'Oréal and The Body Shop consumers, the perceived CSR image has a positive impact on the Identity Similarity with the brand.

Hypothesis 4: The fourth hypothesis measures the positive relationship between CSR image and Identity Distinctiveness. Similar to the previous results, CSR image positively influences Identity Distinctiveness, since once again the hypothesis is not rejected (**t-value**= 8.17(T_{bs}) and 4.26 (T_L)> 1.96, and there is a positive **path coefficient** for both samples of 0.577 and 0.404, respectively).

Hypothesis 5: By analyzing the results obtained, we can conclude that there is a positive impact of CSR image on Identity Coherence of both The Body Shop and L'Oréal (**t-value** of 14.16 and 7.54 (>1.96) and **positive parameters** (0.712 and 0.607), respectively). Therefore, while considering strong positive correlations above 0.61, we do not reject the hypothesis.

Hypothesis 6: Once again, we can assume a positive influence of CSR image on Identity Trustworthiness on both brands (**t-value** =14.03 (T_{bs}) and 12.42 (T_L) > 1.96), and both variables are strongly positive correlated (0.74 – T_{bs} and 0.71 - T_L), which means that we do not reject this hypothesis.

Hypothesis 7: In contrast to the previous hypotheses, a positive impact of Identity Similarity on Identity Attractiveness cannot be assumed, since we arrived to a **t-value** of 0.81<1.96 (T_{bs}) and 1.30<1.96 (T_L). Therefore, we reject this hypothesis for both brands.

Hypothesis 8: In this case, it can't be stated that there is a positive impact of Identity Distinctiveness on Identity Attractiveness, since we reject the hypothesis for both samples T_{bs} and T_L (**t-value** of 0.96 (T_{bs}) and 0.30 (T_L) < 1.96 and **negative parameter** for T_{bs} -0.103).

Hypothesis 9: Here, it could be mentioned that Identity Coherence positively influences Identity Attractiveness in both brands (positive **path coefficient** of 0.547(T_{bs}) and 0.475 (T_L); a **t-value** = 5.15(T_{bs}) and 5.44(T_L) > 1.96 and a huge positive correlation between these two variables (above 0.76 for both). Therefore we do not reject the hypothesis for any brand.

Hypothesis 10: Once again, it can be stated that Identity Trustworthiness positively influences Identity Attractiveness, by not rejecting the hypothesis for both brands. Both variables have a strong positive correlation (approximately 0.70 for both brands), positive **parameters** and **t-values** higher than 1.96 (3.07 – T_{bs} and 3.23 for T_L).

Hypothesis 11: In order to arrive at the most accurate analysis, this hypothesis was studied not only for the whole sample, but for the sub-samples as well, which will allow the comparison with the hypothesis 12's results. By analyzing all the situations, we do not reject the hypothesis, which means that Identity Attractiveness positively influences C-C Identification for both samples (T_x) and sub-samples (Y_x[18] and N_x[19]) In the case of The Body Shop we arrived at **t-values** of 11.96 (T_{bs}), 52.61 (Y_{bs}) and 10.91 (N_{bs}) >1.96, and for L'Oréal we recorded **t-values** of 12.03 (T_L), 23.31 (Y_L) and 11.78 (N_L) >1.96. Therefore, the attractiveness of L'Oréal and The Body Shop has a positive influence on consumers' identification with it (both for the ones who knew a priori and the ones who didn't).

Hypothesis 12: Finally, the last hypothesis aims to measure if the acquisition positively influenced C-C Identification for both brands. In this case, the analysis was made only regarding the sub-samples to understand the impact the acquisition had on each one. When looking for *sample N_x* we arrive to positive **parameters (**0.50 (N_{bs}) and 0,53 (N_L)) and **t-values** of 8.77 (N_L) and 7.31 (N_{bs}) >1.96. Therefore, although the results obtained indicated a remaining strong identification with both brands, we cannot say that the acquisition had positively influenced both L'Oréal and The Body Shop consumers from *sample N_x*, since both the measurement parameters and t-values are weaker than before (from the previous hypothesis we arrived at **t-values** of 10.91 (N_{bs}) and 11.78 (N_L) and **parameters** of 0.64 (N_{bs}) and 0.66 (N_L)). Concerning the ones who knew a priori – *sample Y_x*, by using **descriptive statistics**, we can say that 60% of L'Oréal (*sample Y_L*) consumers stated that the influence had no impact on their perception about the brand and 40% declared it had a positive impact. Moreover, only one consumer said it had negatively affected his purchase behavior and 67% said it had no impact. Regarding *sample Y_{bs}*, 42% stated it had no influence on their perception of the brand and only 18% said it affected negatively. Finally, only 1 person stated that it had negatively impacted their purchase behavior, while 71% said it had had no influence and 17% declared it had had a positive impact. Therefore, we reject the hypothesis.

[18] Sample Y_x = The Body Shop/L'Oréal consumers that knew about the acquisition
[19] Sample N_x = The Body Shop/L'Oréal consumers that didn't know about the acquisition

Other results: For both questionnaires, we would like to highlight other information. Considering the characteristics that most influence consumers purchase behavior in each brand, L'Oréal consumers stated that quality has some or high influence, 74% mentioned price as a variable with strong influence, CSR practices influence 27% of consumers and 38% stated brand's values (appendix 9.2). Regarding The Body Shop consumers, quality also comes up as the variable that has most influence, while ingredients were also chosen as one with high influence (71% stated it has some or much influence), almost the same as price (72%). Additionally, brand values and CSR practices were also mentioned as variables with influence on their purchase behavior (appendix 9.1).

Furthermore, the ones that stated they knew already about the acquisition, only 20% of L'Oréal consumers acknowledged it at the time it happened, in opposition to The Body Shop consumers, where all consumers only acknowledged it after a while (through other people or internet research) – appendix 10.

7. Conclusions

The main goal of this research was to understand the impact that L'Oréal's acquisition of The Body Shop had on consumers' relationship with both brands, with The Body Shop and L'Oréal consumers being analyzed separately. Each sample was divided in two sub-samples – the ones who knew a priori about the acquisition, and the ones who didn't. To arrive at more accurate conclusions, it is necessary to analyze the model by steps.

First of all, by analyzing consumers' behavior concerning the **environment** we can conclude that both groups of consumers are environmentally-conscious. On the one hand, we can clearly state that there is a special concern about electricity, probably due to the fact that several changes have happened through the last months, and several campaigns have been launched to create awareness. On the other hand, although a major percentage definitely recycles at home

(55% - sample T_L; 61% - sample T_{bs}), a huge percentage does not take into account if the paper they buy to use at home is recycled or not (more notorious to L'Oréal's consumers). This could be explained by the lack of awareness regarding this topic. Moreover, although both samples showed huge concerns for the environment, we can see that The Body Shop consumers are even more concerned about it, which was already expected, considering The Body Shop values and DNA. Furthermore, we can also state that consumers are positively influenced by **company's social practices**. By analyzing results we obtained average results between 3.20 – 4.32 – sample T_L and 3.52 – 4.61 – sample T_{bs}. In this way, we can definitely say that consumers from both brands (although more notorious to The Body Shop consumers) are positively influenced by social responsibility, which goes along with the previous literature results.

Then, the assumption of **CSR image** affecting all four antecedents of the model (Identity Similarity, Identity Distinctiveness, Identity Trustworthiness, Identity Coherence) was tested. By analyzing all the results we can conclude that CSR image can be considered as an antecedent of C-C Identification, since it has an indirect impact on the relationship consumers develop with both L'Oréal and The Body Shop. Considering the current trends (mentioned on the literature) we can say that this result could be expected. This definitely shows that consumers, nowadays, give huge importance, not only to the CSR practices that brands use, but essentially to the perception they have about it. Companies can highly invest in CSR, but if consumers are not aware of it, the impact it will have on consumers' relationship with the brand will be minor. Moreover, we can also see that this variable has a greater effect on The Body Shop consumers than on L'Oréal consumers, by comparing t-statistics and measurement parameters results. This may be supported by the fact that CSR is basically part of The Body Shop's DNA. Thus, The Body Shop consumers are clearly aware of it, and are already expecting it. This may mean that in the case of The Body Shop consumers perceive The Body Shop's CSR Image in a weaker manner, it will hardly affect their relationship with the brand; an effect that could not be so notorious if it happened with L'Oréal. This can also be supported by the fact that 47% of The Body Shop consumers claimed CSR practices as having a positive influence on their perception about the brand, against 26% of L'Oréal consumers.

Secondly, when considering the impact that each one of the four antecedents had on identity attractiveness, several conclusions can be made. Although it was expected that each variable presented a positive relationship with brand's attractiveness, the results were not as predicted. We can't say that there is a positive impact of both **Identity Similarity** and Distinctiveness on Identity Attractiveness. Concerning The Body Shop's unique image, it was expected consumers' relationship with the brand to be influenced by similarity of values and principles. However, this may be supported by the fact that consumers from today are not the same as in the past. Although before The Body Shop's differentiation strongly depended on their values, it may not be the reason anymore. Indeed, as time is passing, consumers' identification with the brand may depend on other variables, such as product quality, price and ingredients. Actually, when comparing the variables that affect consumers purchase decision on The Body Shop, their values are ranked in 6th (out of 9) – see appendix 9.3. Furthermore, considering **brand distinctiveness**, this can be supported by the fact that, although they were the pioneer of the natural and organic market, currently there is an increase of new players that offer the same value proposition as them. Therefore, this leads to less differentiation on this market, and, consequently, to a higher consumers switch rate. Although values are their main differentiation factor, as previously mentioned, it may not be one of the main reasons that influence consumers to identify with the brand. Therefore, this may be why The Body Shop distinctiveness may not be crucial for consumers to create a strong relationship with the brand.

When considering L'Oréal, a different perspective needs to be taken. L'Oréal distinguishes themselves through their quality, diversity, strong promotion, and wide range of brands. Although they have strong values, we can suppose that consumers don't develop a strong relationship with L'Oréal based on that, but instead on what they offer, which may explain why we can't state that Identity Similarity positively influences Identity Attractiveness. Moreover, when looking at The Body Shop, it is easy to predict conclusions of why we can't say that its distinctiveness influences the attractiveness of the brand, with L'Oréal being the opposite. As they are currently the global market leaders, it would be expected that their differentiation and distinctiveness from competitors would definitely have a positive (indirect) impact on the C-C Identification. This can be supported by the fact that consumers currently have a wide supply of beauty and cosmetic products, and there might be a high switch rate (not as high as the one from natural and organic market). One possible piece of evidence could be provided from results of this research. When asked to indicate the variables (quality, promotion, price, ingredients, CSR practices, values, packaging, image and prices) that had most impact on their purchase behavior in both brands, consumers from both brands took similar decisions. Although these two brands have different values and cultures, both types of consumers had chosen quality, price and promotion as the first three reasons, with CSR and packaging as the last ones. Values placed 6th for both samples, and the ingredients were the only one that really differed on both samples (4th – The Body Shop and 7th – L'Oréal) – see appendix 9.3. Based on this evidence, we believe that more research should be made on this subject and that The Body Shop could further explore this finding for future product developments.

In addition, results also indicate that for both brands credibility and reliability have a positive impact on consumers' construction of their relationship with the brand, which is unsurprising given all the literature results and considering the industry that is being studied. In this way, when considering these two companies, consumers clearly take into account their actions, which may mean that for both companies it would be important to preserve and maintain their integrity and credibility in order to retain their customers, knowing that any action could have an effect on it.

Furthermore, we come to the final analysis: the **consumer-company identification** and the impact that this acquisition had on both C-C Identification brands. When looking for the whole samples for both brands we can see that there is a strong identification since the hypothesis was not rejected. If on the one hand, The Body Shop is recognized by its diversified and fine fragrance products, by their values (even if they might not be crucial to purchase there) and activist campaigns; on the other hand L'Oréal is unique in its quality, promotion, high-status image and diversified range of brands. Therefore, it's no surprise that consumers that purchase both brands have built a strong relationship and identification with them. Moreover, by observing sample Y_{bs} results, we can definitely see that their C-C Identification is very strong (path coefficient parameter= 0.89), which may lead to the conclusion that despite even knowing about this acquisition, their perception and bond with the brand remains strong. The results about the impact it had on their perception and purchasing behavior about the brand are also evidence that supports this statement, since more than 80% considered that it had positive or no influence on their perception about The Body Shop, and 90% declared it had positive or no impact on their purchasing behavior. The fact that more than half of the consumers stated that it had no impact may be supported by the fact that they actually consider that the brand has not suffered any change since then – regarding their values, principles, quality and other characteristics that consumers value. So this can indicate that the negative impact it had in other countries (e.g.: UK) might not have happened in Portugal, or maybe because we are assessing it six years after it happened, which already gives consumers the confidence that it would not change company practices. If this study was made at that particular time, perhaps the results would not be the same.

Then, when looking to sample Y_L, similar statistical results appeared. Considering their main goals of acquisition and since L'Oréal have not been taking advantage of this acquisition, the obtained results were expected. This sub-sample has established a strong identification with the brand (with measured parameters showing a huge strong positive relationship - 0.75), and while 40% stated it had a positive impact, more than half declared that it had no influence on their perception of the brand. Moreover, almost 70% said it had no impact on their purchase behavior while only 27% said it had affected it positively. One element that must be taken into account is the fact that only a small percentage of the people knew about this acquisition, which means that this analysis is based on a small sample. These conclusions may be different when analyzing a higher sample of people that already knew about the acquisition.

Lastly, we are going to analyze the N_x sub-samples. When analyzing their C-C Identification before they knew about the acquisition, we concluded that they have a strong relationship and identification with the brands. Furthermore, when comparing it to the results obtained after consumers had acknowledged the acquisition, positive relationships were attained, although weaker than the previous ones. Specifically, when comparing the measured parameters, we can see that, before both samples showed strong positive parameters (around 0.65), while after, although it is still considered as strong relationship, both had slightly decreased (around 0.50). This may be explained by the fact that, although they don't perceive it enough to jeopardize their image and relationship about the brand, it had a slightly negative impact in the moment they acknowledged it. As this analysis is based only on momentary reaction, its impact should be studied more specifically in the long term.

8. Limitations and Further Research

Throughout the analysis, several limitations arose that could be improved in the future. The first aspect that should be mentioned is the variables used. The model described above was developed based on the literature found and other considerations. However, the fact that the Identity Similarity and Identity Distinctiveness didn't have a positive influence on Identity Attractiveness (as it was already proven in the literature), may be related not only to the assumptions described in the conclusions but also to the lack of other important variables, such as Identity Prestige, that was excluded due to the reasons stated above. Thus, further research could be done around this topic in order to include more variables than the ones considered.

Another limitation was the lack of an official scale to study the impact the acquisition had on the consumers that already knew about it. Although it was analyzed through descriptive statistics and interesting results arose, as further research, a better scale could be found to analyze it.

Furthermore, the number of consumers that belonged to *sample Yx* was relatively small, also due to the fact that few people knew about it. A more specific study, directed only to the ones that already knew about the acquisition, could be done in the future in order to understand the actual impact it had on their relationship with the brands. If similar results are attained, it could be interpreted at least in two different ways: (1) that consumers actually perceive the brand as the same and realized that L'Oréal didn't have any impact on The Body Shop philosophy and values (biggest concern), which may indicate that both brands could invest in more communication (e.g. campaigns and events) since both companies likely would be able to benefit from it; (2) in case both companies very much expect a change of consumers perception and identification, it may indicate that this acquisition is not enough. In order to promote a more positive impact, it may need a more strategic adjustment.

Finally, another interesting fact that could also be studied more deeply in the future is the factors that have more impact on consumers in Beauty and Cosmetics industry. As previously mentioned, the variables that influence The Body Shop and L'Oréal consumers are not so different even though both brands are quite distinct.

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Booklet 2 of 2

A Work Project, presented as part of the requirements for the Award of Masters Degree in Management from NOVA School of Business and Economics

Evaluation of the impact of L'Oréal's acquisition of The Body Shop on both brands.

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A project carried out on the Management course, under the supervision of:

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June 2012

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Appendix 1 – Online questionnaire (The Body Shop's example)

Questionário

Bom dia/Boa Tarde, eu sou uma aluna de Gestão da NOVA School of Business and Economics, e estou neste momento a desenvolver a minha tese em marketing, especificamente sobre a indústria de Cosmética e produtos de beleza. Deste modo, gostaria de pedir o preenchimento deste questionário, que deverá demorar aproximadamente 10 minutos. A informação obtida neste questionário será tratada como confidencial.

Parte 1

1. Costuma comprar produtos de cosmética e beleza?
   Produtos de cosmética e beleza: perfumes, produtos de corpo, produtos de cara, maquilhagem, produtos de banho, entre outros.

☐ Sim ☐ Não

(para quem respondeu **Não**, o questionário acaba aqui).

2. Onde costuma comprar produtos de cosmética e beleza? (pode seleccionar mais do que uma opção)

☐ Farmácias ☐ Sephora ☐ L'Occitane ☐ The Body Shop

☐ Supermercados ☐ Outros

3. Com que frequência costuma comprar produtos na The Body Shop? Assinale a sua resposta numa escala de 1 a 7 (1=Nunca, 7=Sempre que preciso)

Nunca	Muito ocasionalmente	Uma vez por ano	De 6 em 6 meses	De 3 em 3 meses	Uma vez por mês	Sempre que preciso
1	2	3	4	5	6	7

(para quem responde **Nunca,** o questionário termina aqui)

4. Numa escala de 1 a 5 (1= pouca influência, 5= muita influência), indique o nível de influência que cada um dos seguintes elementos tem na sua decisão de compra na The Body Shop.

	Pouca Influência				Muita Influência
Qualidade	1	2	3	4	5
Ingredientes	1	2	3	4	5
Promoção	1	2	3	4	5
Imagem	1	2	3	4	5
Preço	1	2	3	4	5
Diversidade	1	2	3	4	5
Embalagem	1	2	3	4	5
Práticas sociais da marca	1	2	3	4	5
Valores	1	2	3	4	5

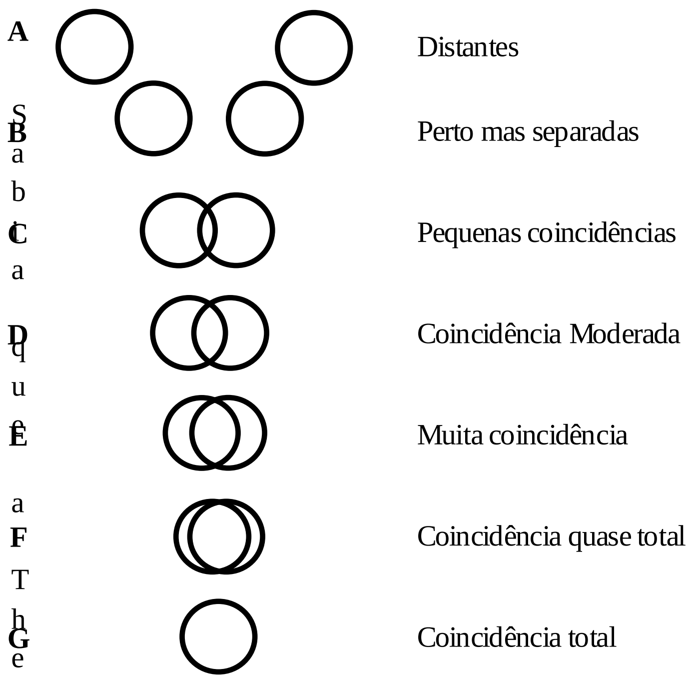
Parte II – Responda, numa escala de 1 a 7 (1=discordo, 7=concordo) às seguintes questões considerando a relação que estabelece com a The Body Shop. Embora algumas perguntas possam parecer semelhantes, todas têm um objectivo. Desde modo, peço por favor que leia atentamente e que responda a cada questão, tendo em conta a sua opinião sobre a marca.

	Concordo						Discordo
5. Acredito que os produtos da marca ajudam a definir quem eu sou.	1	2	3	4	5	6	7
6. Acredito que consumir produtos da maca faz com que os outros me vejam da maneira que eu quero.	1	2	3	4	5	6	7
7. Consumir os produtos da marca enaltece as minhas características pessoais.	1	2	3	4	5	6	7
8. Acredito que a empresa cultiva os valores que eu aprecio.	1	2	3	4	5	6	7
9. The Body Shop é diferente das outras marcas do mesmo sector.	1	2	3	4	5	6	7
10. The Body Shop é diferente de todos os seus concorrentes.	1	2	3	4	5	6	7
11. The Body Shop é uma marca coerente.	1	2	3	4	5	6	7
12. The Body Shop é uma marca com uma boa reputação.	1	2	3	4	5	6	7
13. É fácil ter uma ideia clara sobre o que a The Body Shop representa através das suas acções.	1	2	3	4	5	6	7
14. Considero que a The Body Shop oferece uma imagem global coerente.	1	2	3	4	5	6	7
15. Acredito na informação que a marca oferece aos consumidores.	1	2	3	4	5	6	7
16. A empresa não faz falsas constatações.	1	2	3	4	5	6	7
17. Confio na empresa para ser franca quando lida com os consumidores.	1	2	3	4	5	6	7
18. Eu gosto do que a The Body Shop representa.	1	2	3	4	5	6	7
19. Eu acho que a The Body Shop é uma marca atractiva.	1	2	3	4	5	6	7
20. Eu gosto do que a The Body Shop incorpora.	1	2	3	4	5	6	7
21. A The Body Shop está ciente das questões ambientais.	1	2	3	4	5	6	7
22. A The Body Shop cumpre sempre as suas responsabilidades sociais	1	2	3	4	5	6	7
23. A The Body Shop faz muito pela sociedade.	1	2	3	4	5	6	7
24. A The Body Shop actua de forma socialmente responsável.	1	2	3	4	5	6	7
25. A percepção que tenho da The Body Shop encaixa no que eu sou.	1	2	3	4	5	6	7

26. Sou semelhante ao que penso que a The Body Shop representa.	1	2	3	4	5	6	7
27. O que percepciono da The Body Shop é semelhante ao que percepciono de mim mesmo.	1	2	3	4	5	6	7
28. A imagem que tenho da The Body Shop sobrepõe-se à imagem que tenho de mim mesmo.	1	2	3	4	5	6	7

29. É de seu conhecimento que as empresas e as marcas têm e projectam a sua imagem. De forma semelhante, você tem a sua própria personalidade. Imagine por um momento que o circulo representado à esquerda é você e representa a sua própria personalidade e que o círculo à direita representa a The Body Shop. Por favor indique que situação (A,B, C, D, E ou G) melhor reflecte o grau de coincidência ou sobreposição entre o que você é e o que a The Body Shop é.

You **The Body Shop** A minha identidade e a identidade da The Body Shop são …



Parte III

30. Sabia que a The Body Shop foi adquirida pela L'Oréal em 2006?

☐ Sim ☐ Não

Para quem respondeu **Sim**:

31. Quando teve conhecimento desta aquisição?

- ☐ Na altura da aquisição
- ☐ Recentemente (nos últimos 6 meses)
- ☐ Só algum tempo depois de esta acontecer

32. Como teve conhecimento da aquisição?

- ☐ Comunicação da marca
- ☐ Através da Internet
- ☐ Por terceiros
- ☐ Acompanho sempre todos os passos da marca
- ☐ Outros

33. De que forma é que este acontecimento afectou a sua avaliação em relação à The Body Shop? Assinale a sua resposta numa escala de 1 a 5, onde 1=Negativamente e 5=Positivamente.

Negativamente				**Positivamente**
1	2	3	4	5

34. De que forma é que este acontecimento afectou a sua frequência de compra na The Body Shop? Assinale a sua resposta numa escala de 1 a 5, onde 1=Negativamente e 5=Positivamente.

Negativamente				**Positivamente**
1	2	3	4	5

Para quem respondeu **Não:**

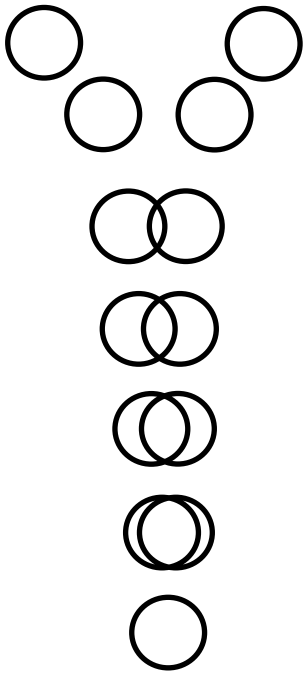
A The Body Shop foi adquirida pela L'Oréal em Março de 2006, com o objectivo de alcançar benefícios mútuos. A The Body Shop iria beneficiar das capacidades de marketing e de gestão da L'Oréal, como dos seus recursos para pesquisa e desenvolvimento de produtos inovadores. Por outro lado, a L'Oréal poderia entrar no mercado dos produtos orgânicos e naturais.

Responda novamente às seguintes questões, considerando agora esta nova informação.

	Concordo				Discordo
31. A percepção que tenho da The Body Shop encaixa no que eu sou.	1	2	3	4	5
32. Sou semelhante ao que penso que a The Body Shop representa.	1	2	3	4	5
33. O que percepciono da The Body Shop é semelhante ao que percepciono de mim mesmo.	1	2	3	4	5
34. A imagem que tenho da The Body Shop sobrepõe-se à imagem que tenho de mim mesmo.	1	2	3	4	5

35. É de seu conhecimento que as empresas e as marcas têm e projectam a sua imagem. De forma semelhante, você tem a sua própria personalidade. Imagine por um momento que o circulo representado à esquerda é você e representa a sua própria personalidade e que o círculo à direita representa a The Body Shop. Por favor indique que situação (A,B, C, D, E ou G) melhor reflecte o grau de coincidência ou sobreposição entre o que você é e o que a The Body Shop é.

You **The Body Shop** A minha identidade e a identidade da The Body Shop são …



A Distantes

B Perto mas separadas

C Pequenas coincidências

D Coincidência Moderada

E Muita coincidência

F Coincidência quase total

G Coincidência total

Parte IV – Perfil do Consumidor

36. Género: F/M
37. Idade:

☐ < 18 ☐ 18 - 25 ☐ 26-39 ☐ 40 - 55 ☐ >55

38. Nível de escolaridade:

☐ Ensino pré-escolar ☐ Ensino básico (até ao 9º ano) ☐ Ensino Secundário (12º ano)

☐ Licenciatura ☐ Mestrado/Doutoramento ☐ Outro

39. Ocupação:

☐ Estudante ☐ Empregado

☐ Desempregado ☐ Reformado ☐ Outro

40. Responda à seguinte questão numa escala de 1 a 7 (1=discordo; 7=concordo), consoante o tipo de comportamento que tem perante cada uma das situações indicadas:

	Discordo						Concordo
Eu pagaria mais por produtos de uma empresa socialmente responsável	1	2	3	4	5	6	7
Eu tenho em atenção a reputação ética da empresa quando compro	1	2	3	4	5	6	7
Eu evito comprar produtos de empresas que estão envolvidas em acções imorais	1	2	3	4	5	6	7
Eu pagaria mais para comprar produtos de uma empresa que se mostra preocupada com o bem-estar da sociedade	1	2	3	4	5	6	7
Se o preço/qualidade de dois produtos são os mesmos, eu compraria na empresa que teria uma reputação de socialmente responsável.	1	2	3	4	5	6	7

41. Numa escala de 1 a 7 (1=concordo, 7=discordo), responda às seguintes questões:
Caso não tenha passado por determinada situação, elabore a sua resposta com base no que faria caso passasse.

	Concordo						Discordo
41.1. Eu compro papel higiénico feito de papel reciclado.	1	2	3	4	5	6	7
41.2 Eu compro Kleenex feito de papel reciclado.	1	2	3	4	5	6	7
41.3 Eu compro papel de mesa feito de papel reciclado.	1	2	3	4	5	6	7
41.4 Para poupar energia, eu conduzo o meu carro o menos possível.	1	2	3	4	5	6	7
41.5 Para reduzir a nossa dependência do petróleo estrangeiro, eu conduzo o meu carro o menos possível.	1	2	3	4	5	6	7
41.6 Eu uso o centro de reciclagem ou reciclo de outra forma a maioria do lixo de minha casa.	1	2	3	4	5	6	7
41.7 Eu faço todos os esforços para comprar produtos de papel feitos de papel reciclado.	1	2	3	4	5	6	7
41.8 Eu uso um detergente de baixo fosfato na lavandaria.	1	2	3	4	5	6	7
41.9 Eu convenci membros da família ou amigos a não comprar produtos que prejudicam o ambiente.	1	2	3	4	5	6	7
41.10 Sempre que possível, eu compro produtos embalados em recipientes reutilizáveis.	1	2	3	4	5	6	7
41.11 Eu tento comprar apenas que produtos que possa reciclar	1	2	3	4	5	6	7
41.12 Normalmente eu faço um esforço consciente para limitar o meu uso de produtos que são feitos ou usam recursos escassos.	1	2	3	4	5	6	7
41.13 Eu não irei comprar produtos que tenham excesso de embalagem	1	2	3	4	5	6	7
41.14 Quando há escolha, eu escolho sempre o produto que contribui para o menor nível de poluição.	1	2	3	4	5	6	7
41.15 Se for possível perceber o potencial perigo para o ambiente que algum produto gere, eu não o compro.	1	2	3	4	5	6	7
41.16 Eu já troquei de produtos por questões ecológicas.	1	2	3	4	5	6	7
41.17 Eu já comprei produtos porque têm menos poluição.	1	2	3	4	5	6	7
41.18 Eu não compro produtos em recipientes para aerossóis.	1	2	3	4	5	6	7
41.19 Quando compro produtos, faço sempre um esforço consciente para comprar produtos que são baixos em poluentes.	1	2	3	4	5	6	7
41.20 Quando tenho escolha entre dois produtos iguais, eu compro sempre o que é menos prejudicial para as outras pessoas e para a	1	2	3	4	5	6	7

sociedade.							
41.21 Eu não irei comprar um produto se a empresa que o vende é socialmente irresponsável.	1	2	3	4	5	6	7
41.22 Normalmente compro o produto mais barato, independentemente do impacto que tem para a sociedade	1	2	3	4	5	6	7
41.23 Eu não compro produtos domésticos que prejudiquem o ambiente.	1	2	3	4	5	6	7
41.24 Eu tento comprar aparelhos domésticos eficientes em termos eléctricos.	1	2	3	4	5	6	7
41.25 Eu tento sempre usar aparelhos eléctricos (ex. lava-louças, máquina de lavar, secador) antes das 10 da manhã e depois das 10 da noite.	1	2	3	4	5	6	7
41.26 I tenho feito um esforço grande para reduzir a quantidade de electricidade usada.	1	2	3	4	5	6	7
41.27 Eu compro lâmpadas de alta eficiência para poupar energia.	1	2	3	4	5	6	7
41.28 Eu comprei aparelhos domésticos porque usam menos electricidade que outras marcas.	1	2	3	4	5	6	7
41.29 Eu comprei lâmpadas que embora mais caras, poupavam mais energia.	1	2	3	4	5	6	7
41.30 Eu já substitui lâmpadas em minha casa com por umas d menor potência, para poupar na energia que uso.	1	2	3	4	5	6	7

Muito Obrigada pela sua disponibilidade e colaboração!

Appendix 2 – Measurement scales

CSR image (CSR):

CSR1: (X) is aware of environmental issues

CSR2: (X) fulfills its social responsibilities

CSR3: (X) gives back to society

CSR4: (X) acts in a socially responsible way

Identity Similarity (IS):

IS1: I believe that the products/services of the company help me define who I am

IS2: I believe that consuming the products/services of the company leads others to view me in the manner that I wish

IS3: Consuming the products/services of the company highlights my personal characteristics

IS4: I believe that the company cultivates the values that I hold in esteem

Identity Distinctiveness (ID):

ID1: (X) is different from the other brands in the sector

ID2: (X) is different from the rest of its competitors

ID3: (X) is a brand with a good reputation

Identity Coherence (IC):

IC1: (X) is a coherent brand

IC2: Through its actions, it is easy to have a clear idea of what (X) represents

IC3: I perceive that (X) offers a coherent global image

Identity Trustworthiness (IT):

IT1: I believe the information that the organization provides its customers

IT2: The firm does not make false claims

IT3: I trust the company to be frank in dealing with its customers

Identity Attractiveness (IA):

IA1: I like what (X) represents

IA2: I think that (X) is an attractive brand

IA3: I like what (X) embodies

C-C Identification (CCI):

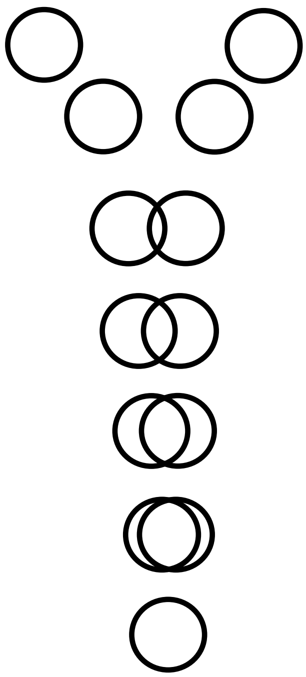
CCI1: The way I am fits in with what I perceive of (X)

CCI2: I am similar to what I think (X) represents

CCI3: I am similar to how I perceive (X)

CCI4: The image I have of (X) overlaps with my self-image

CCI5: You know that companies and brands have and project their own personality. Imagine for a moment that the circle on the left in each row is you and represents your own personality and the circle on the right represents (X). Please indicate what situation (A, B, C, D, E, F and G best reflects the degree of coincidence or superposition between what you are like and what (X) is like).



	I	X	The Identity of (X) and mine are…
A			Distant
B			Close but separate
C			Little coincidence
D			Moderate coincidence
E			A lot of coincidence
F			Almost total coincidence
G			Complete coincidence

Consumers' stated support of socially responsible business (SC):

SC1: I would pay more to buy products from a socially responsible company

SC2: I consider the ethical reputation of businesses when I shop

SC3: I avoid buying products from companies that have engaged in immoral action

SC4: I would pay more to buy the products of a company that shows caring for the wellbeing of our society

SC5: If the price/quality of two products is the same, I would buy from the firm that has a social responsible reputation.

Ecologically conscious consumer behavior (EC):

EC1: I buy toilet paper made from recycled paper

EC2: I buy Kleenex made from recycled paper

EC3: I buy paper towels made from recycled paper

EC4: To save energy, I drive my car as little as possible

EC5: To reduce our reliance on foreign oil, I drive my car as little as possible

EC6: I use a recycling center or in some way recycle some of my household trash

EC7: I make every effort to buy paper products made from recycled paper

EC8: I use a low-phosphate detergent (or soap) for my laundry

EC9: I have convinced members of my family or friends not to buy some products which are harmful to the environment

EC10: Whenever possible, I buy products packaging in reusable containers

EC11: I try only to buy products that can be recycled

EC12: I normally make a conscious effort to limit my use of products that are made of or use scarce resources

EC13: I will not buy products that have excessive packaging

EC14: When there is a choice, I always choose that product which contributes to the least amount of pollution

EC15: If I understand the potential damage to the environment that some products can cause, I do not purchase those products

EC16: I have switched products for ecological reasons

EC17: I have purchased products because they cause less pollution

EC18: I do not buy products in aerosol containers

EC19: When I purchase products, I always make a conscious effort to buy those products that are low in pollutants

EC20: When I have the choice between two equal products, I always purchase the one which is less harmful to other people and the environment.

EC21: I will not buy a product if the company which sells is socially irresponsible

EC22: I usually purchase the lowest-priced product, regardless of its impact on society

EC23: I do not buy household products that harm the environment

EC24: I try to buy energy-efficient household appliances

EC25: I always try to use electric appliances (e.g., dishwasher, washer, and dryer) before 10 pm and after 10 am

EC26: I have tried very hard to reduce the amount of electricity I use

EC27: I buy high-efficiency light bulbs to save energy

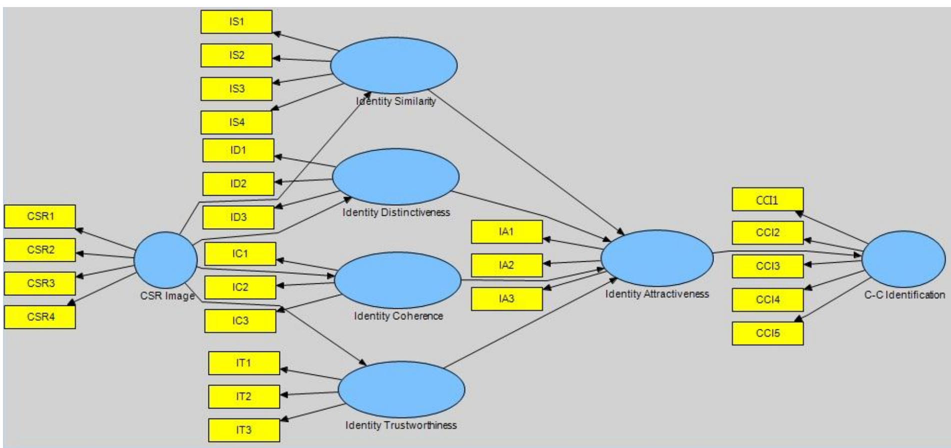
EC28: I have purchased a household appliance because it uses less electricity than other brands

EC29: I have purchased light bulbs that were more expensive but save energy

EC30: I have purchased light bulbs in my home with hose of smaller wattage so that I will conserve on the electricity that I use

Appendix 3– Structural Equation model

The Body Shop / L'Oréal - Consumer-Company Identification Model



Appendix 4 – Reliability Analysis for latent variables

Table 4.1 – Cronbach's Alpha, AVE, Composite Reliability

The Body Shop		Cronbach's Alpha	AVE	Composite Reliability
C-C Identification	Samples T_{bs}	0.84	0.62	0.88
	Samples Y_{bs}	0.88	0.69	0.92
	Samples N_{bs}	0.82	0.57	0.86
CSR Image	Samples T_{bs}	0.89	0.76	0.93
	Samples Y_{bs}	0.92	0.81	0.95
	Samples N_{bs}	0.88	0.74	0.92
Identity Attractiveness	Samples T_{bs}	0.94	0.89	0.96
	Samples Y_{bs}	0.91	0.85	0.94
	Samples N_{bs}	0.95	0.91	0.97
Identity Coherence	Samples T_{bs}	0.88	0.91	0.93
	Samples Y_{bs}	0.83	0.74	0.89
	Samples N_{bs}	0.90	0.83	0.94
Identity Distinctiveness	Samples T_{bs}	0.94	0.89	0.96
	Samples Y_{bs}	0.94	0.89	0.96
	Samples N_{bs}	0.93	0.88	0.96
Identity Similarity	Samples T_{bs}	0.75	0.53	0.82
	Samples Y_{bs}	0.78	0.53	0.82
	Samples N_{bs}	0.72	0.51	0.80
Identity Trustworthiness	Samples T_{bs}	0.90	0.83	0.94
	Samples Y_{bs}	0.95	0.92	0.97
	Samples N_{bs}	0.88	0.81	0.93
(N)C-C Identification	Samples T_{bs}	-	-	-
	Samples Y_{bs}	-	-	-
	Samples N_{bs}	0.89	0.68	0.91

Table 4.2 – Cronbach's Alpha, AVE, Composite Reliability

L'Oréal		Cronbach's Alpha	AVE	Composite Reliability
C-C Identification	Samples T_L	0.91	0.74	0.93
	Samples Y_L	0.96	0.86	0.97
	Samples N_L	0.90	0.72	0.93
CSR Image	Samples T_L	0.90	0.78	0.93
	Samples Y_L	0.85	0.69	0.90
	Samples N_L	0.91	0.78	0.93
Identity Attractiveness	Samples T_L	0.91	0.84	0.94
	Samples Y_L	0.96	0.92	0.97
	Samples N_L	0.90	0.83	0.94
Identity Coherence	Samples T_L	0.81	0.73	0.89
	Samples Y_L	0.83	0.75	0.90
	Samples N_L	0.81	0.73	0.89
Identity Distinctiveness	Samples T_L	0.88	0.80	0.92
	Samples Y_L	0.87	0.79	0.92
	Samples N_L	0.88	0.80	0.92
Identity Similarity	Samples T_L	0.76	0.56	0.83
	Samples Y_L	0.53	0.42	0.74
	Samples N_L	0.78	0.58	0.85
Identity Trustworthiness	Samples T_L	0.83	0.75	0.90
	Samples Y_L	0.85	0.76	0.90
	Samples N_L	0.83	0.75	0.90
(N)C-C Identification	Samples T_L	-	-	-
	Samples Y_L	-	-	-
	Samples N_L	0.92	0.77	0.94

Table 4.3 – Reliability (Cronbach's Alpha) – The Body Shop

	Cronbach's Alpha
SC	0.829
EC	0.941

Table 4.4 - Reliability (Cronbach's Alpha) – L'Oréal

	Cronbach's Alpha
SC	0.830
EC	0.945

Appendix 5 – Correlations

5.1 The Body Shop

5.1.1 The Body Shop – C-C Identification Model

Sample T_{bs}	CCI	CSR	IA	IC	ID	IS	IT
CCI	1.00						
CSR	0.66	1.00					
IA	0.69	0.67	1.00				
IC	0.61	0.71	0.76	1.00			
ID	0.53	0.58	0.52	0.70	1.00		
IS	0.66	0.55	0.39	0.37	0.52	1.00	
IT	0.63	0.74	0.72	0.77	0.61	0.49	1.00

Sample Y_{bs}	CCI	CSR	IA	IC	ID	IS	IT
CCI	1.00						
CSR	0.63	1.00					
IA	0.89	0.69	1.00				
IC	0.51	0.65	0.65	1.00			
ID	0.42	0.61	0.52	0.85	1.00		
IS	0.72	0.57	0.69	0.28	0.35	1.00	
IT	0.66	0.82	0.67	0.72	0.60	0.58	1.00

Sample N_{bs}	CCI	CSR	IA	IC	ID	IS	IT
CCI	1.00						
CSR	0.69	1.00					
IA	0.64	0.74	1.00				
IC	0.66	0.76	0.85	1.00			
ID	0.57	0.54	0.60	0.66	1.00		
IS	0.66	0.52	0.34	0.43	0.56	1.00	
IT	0.64	0.72	0.80	0.80	0.60	0.49	1.00

5.1.2 The Body Shop – consumers' stated support of socially responsible business (SC)

Sample T_{bs}	SC1	SC2	SC3	SC4	SC5
SC1	1.00				
SC2	0.606	1.00			
SC3	0.425	0.542	1.00		
SC4	0.763	0.519	0.459	1.00	
SC5	0.352	0.386	0.503	0.349	1.00

5.1.3 The Body Shop – Ecologically conscious consumer behavior (EC)

Part I

	EC1	EC2	EC3	EC4	EC5	EC6	EC7	EC8	EC9	EC10	EC11	EC12	EC13	EC14	EC15
EC1	1.000														
EC2	.792	1.000													
EC3	.590	.709	1.000												
EC4	.225	.216	.162	1.000											
EC5	.219	.177	.236	.841	1.000										
EC6	.340	.312	.125	.252	.218	1.000									
EC7	.746	.606	.501	.316	.353	.468	1.000								
EC8	.343	.287	.394	.237	.243	.312	.382	1.000							
EC9	.511	.398	.378	.432	.411	.411	.620	.401	1.000						
EC10	.599	.435	.379	.496	.478	.321	.685	.360	.650	1.000					
EC11	.673	.517	.378	.322	.256	.532	.693	.471	.700	.645	1.000				
EC12	.324	.225	.146	.394	.349	.310	.459	.327	.537	.478	.517	1.000			
EC13	.469	.355	.188	.472	.324	.356	.541	.282	.648	.480	.651	.535	1.000		
EC14	.532	.422	.367	.335	.324	.445	.686	.389	.570	.469	.676	.689	.599	1.000	
EC15	.445	.337	.306	.409	.405	.418	.635	.399	.585	.546	.497	.616	.580	.767	1.000
EC16	.501	.333	.285	.211	.229	.333	.637	.311	.664	.592	.658	.446	.494	.537	.471
EC17	.531	.318	.304	.401	.382	.360	.689	.373	.694	.640	.604	.486	.525	.595	.607
EC18	.344	.223	.114	.315	.289	.501	.444	.359	.389	.387	.481	.438	.492	.523	.497
EC19	.564	.377	.298	.385	.353	.485	.735	.411	.721	.608	.655	.649	.672	.743	.678
EC20	.459	.400	.247	.396	.360	.386	.532	.317	.498	.464	.532	.612	.581	.771	.607
EC21	.501	.325	.163	.396	.389	.323	.624	.238	.535	.507	.471	.633	.522	.637	.684
EC22	**-.114**	**-.096**	**-.038**	**.077**	**.166**	**-.205**	**-.105**	**-.129**	**-.238**	**-.133**	**-.295**	**-.348**	**-.160**	**-.227**	**-.159**
EC23	.530	.418	.331	.393	.346	.306	.496	.400	.582	.447	.546	.426	.634	.494	.558
EC24	.226	.117	.107	.352	.319	.265	.335	.167	.342	.263	.278	.338	.312	.359	.227
EC25	.177	.229	.256	.153	.236	.118	.157	.201	.208	.117	.092	.140	.251	.237	.270
EC26	.212	.236	.202	.359	.350	.154	.288	.219	.202	.190	.110	.337	.168	.337	.295
EC27	.269	.142	.138	.282	.238	.321	.316	.136	.329	.340	.290	.300	.322	.292	.335
EC28	.339	.305	.203	.450	.313	.300	.287	.247	.302	.307	.223	.275	.357	.255	.232
EC29	.197	.182	.082	.226	.213	.249	.317	.218	.179	.230	.199	.208	.097	.182	.136
EC30	.187	.100	.031	.248	.274	.298	.347	.156	.247	.183	.251	.359	.267	.431	.371

Part II

	EC16	EC17	EC18	EC19	EC20	EC21	EC22	EC23	EC24	EC25	EC26	EC27	EC28	EC29	EC30
EC1															
EC2															
EC3															
EC4															
EC5															
EC6															
EC7															
EC8															
EC9															
EC10															
EC11															
EC12															
EC13															
EC14															
EC15															
EC16	1,000														
EC17	.754	1.000													
EC18	.387	.539	1.000												
EC19	.677	.823	.621	1.000											
EC20	.456	.536	.525	.710	1.000										
EC21	.507	.605	.433	.726	.652	1.000									
EC22	**-.251**	**-.167**	**-.111**	**-.201**	**-.141**	**-.135**	1.000								
EC23	.497	.542	.514	.633	.557	.581	.060	1.000							
EC24	.179	.321	.400	.375	.368	.260	**-.094**	.375	1.000						
EC25	.131	.208	.182	.219	.226	.177	**-.049**	.358	.320	1.000					
EC26	.063	.235	.201	.310	.388	.408	.016	.298	.485	.404	1.000				
EC27	.240	.349	.321	.337	.261	.288	**-.115**	.330	.438	.350	.483	1.000			
EC28	.200	.348	.348	.344	.396	.241	**-.065**	.318	.488	.285	.583	.547	1.000		
EC29	.266	.303	.368	.240	.102	.220	**-.136**	.105	.394	.052	.424	.536	.494	1.000	
EC30	.234	.292	.374	.335	.278	.307	**-.075**	.237	.381	.211	.514	.515	.344	.527	1.000

5.2 L'Oréal

5.2.1 L'Oréal – C-C Identification Model

Sample T_L	CCI	CSR	IA	IC	ID	IS	IT
CCI	1.00						
CSR	0.58	1.00					
IA	0.65	0.61	1.00				
IC	0.63	0.61	0.76	1.00			
ID	0.66	0.40	0.49	0.57	1.00		
IS	0.66	0.47	0.50	0.54	0.46	1,00	
IT	0.54	0.71	0.71	0.73	0.52	0.43	1.00

Sample Y_L	CCI	CSR	IA	IC	ID	IS	IT
CCI	1.00						
CSR	0.39	1.00					
IA	0.76	0.47	1.00				
IC	0.69	0.70	0.87	1.00			
ID	0.65	0.61	0.42	0.35	1.00		
IS	0.59	0.51	0.47	0.53	0.54	1,00	
IT	0,68	0,59	0,76	0,82	0,37	0,43	1,00

Sample N_L	CCI	CSR	IA	IC	ID	IS	IT
CCI	1.00						
CSR	0.60	1.00					
IA	0.66	0.64	1.00				
IC	0.63	0.61	0.75	1.00			
ID	0.69	0.46	0.50	0.61	1.00		
IS	0.67	0.47	0.52	0.55	0.48	1.00	
IT	0.54	0.74	0.70	0.72	0.54	0.44	1.00

5.2.2 L'Oréal – consumers' stated support of socially responsible business (SC)

Sample Y_L	SC1	SC2	SC3	SC4	SC5
SC1	1.00				
SC2	0.557	1.00			
SC3	0.412	0.504	1.00		
SC4	0.671	0.636	0.503	1.00	
SC5	0.359	0.330	0.5459	0.3485	1.00

5.2.3 The Body Shop – Ecologically conscious consumer behavior (EC)

Part I

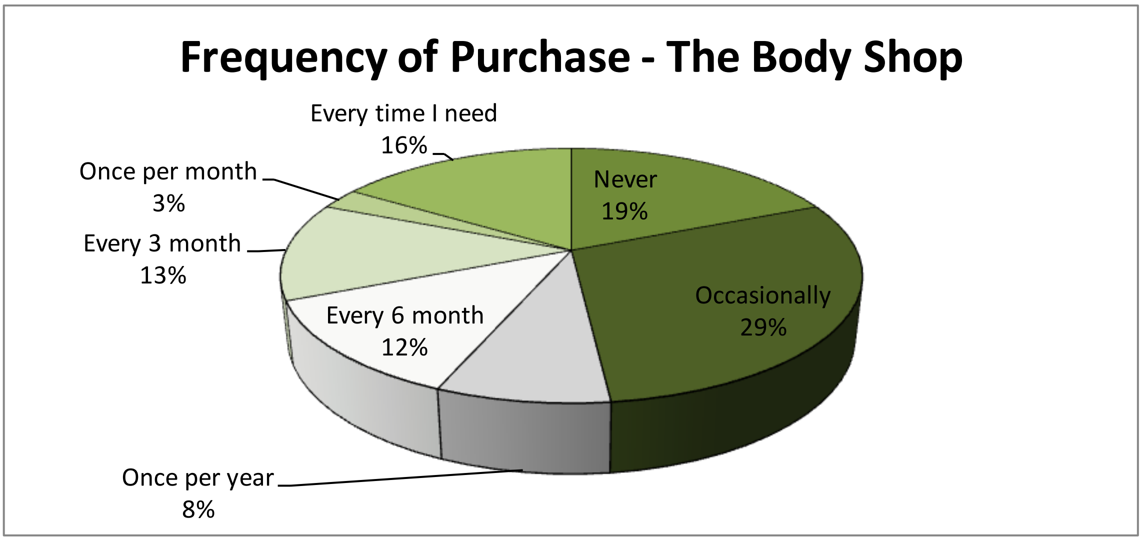
	EC1	EC2	EC3	EC4	EC5	EC6	EC7	EC8	EC9	EC10	EC11	EC12	EC13	EC14	EC15
EC1	1.000														
EC2	.589	1.000													
EC3	.482	.599	1.000												
EC4	.131	.172	.155	1.000											
EC5	.041	.138	.113	.853	1.000										
EC6	.245	.247	.145	.267	.259	1.000									
EC7	.624	.499	.518	.365	.323	.435	1.000								
EC8	.226	.453	.351	.359	.362	.310	.408	1.000							
EC9	.411	.360	.445	.375	.361	.395	.694	.621	1.000						
EC10	.367	.335	.403	.347	.335	.397	.617	.487	.660	1.000					
EC11	.340	.419	.475	.302	.382	.397	.568	.546	.667	.666	1.000				
EC12	.323	.323	.318	.358	.396	.411	.509	.522	.623	.554	.575	1.000			
EC13	.235	.280	.393	.327	.374	.425	.512	.579	.703	.602	.718	.706	1.000		
EC14	.358	.329	.354	.398	.375	.272	.537	.516	.609	.529	.519	.678	.655	1.000	
EC15	.316	.356	.305	.337	.318	.180	.481	.367	.460	.422	.454	.629	.514	.633	1.000
EC16	.307	.403	.397	.428	.392	.230	.332	.374	.432	.312	.391	.463	.443	.397	.456
EC17	.243	.335	.427	.416	.449	.262	.419	.568	.665	.508	.613	.570	.607	.589	.485
EC18	.232	.200	.248	.431	.389	.346	.259	.460	.437	.402	.484	.469	.605	.430	.345
EC19	.419	.378	.486	.434	.426	.266	.490	.519	.671	.663	.659	.619	.669	.674	.535
EC20	.340	.314	.342	.409	.405	.280	.499	.551	.700	.601	.542	.630	.695	.729	.504
EC21	.423	.464	.426	.435	.367	.227	.371	.513	.539	.469	.478	.689	.530	.590	.552
EC22	**-.165**	**-.339**	**-.222**	**-.051**	**-.119**	**-.219**	**-.250**	**-.318**	**-.303**	**-.274**	**-.313**	**-.348**	**-.240**	**-.219**	**-.230**
EC23	.293	.268	.404	.380	.337	.277	.401	.545	.551	.483	.534	.611	.635	.571	.467
EC24	.279	.197	.241	.409	.359	.269	.437	.333	.492	.513	.402	.564	.510	.583	.641
EC25	.199	.171	.243	.263	.227	.352	.172	.460	.422	.336	.419	.288	.450	.388	.137
EC26	.276	.295	.252	.385	.298	.371	.225	.202	.301	.372	.178	.262	.317	.358	.258
EC27	.170	.159	.161	.274	.212	.276	.195	.165	.268	.328	.125	.284	.267	.383	.231
EC28	.420	.255	.291	.435	.328	.185	.318	.379	.432	.348	.232	.479	.439	.541	.321
EC29	.182	.219	.227	.372	.343	.427	.238	.311	.415	.330	.299	.434	.392	.515	.256
EC30	.115	.160	.197	.406	.418	.385	.265	.344	.418	.406	.294	.434	.401	.532	.219

Part II

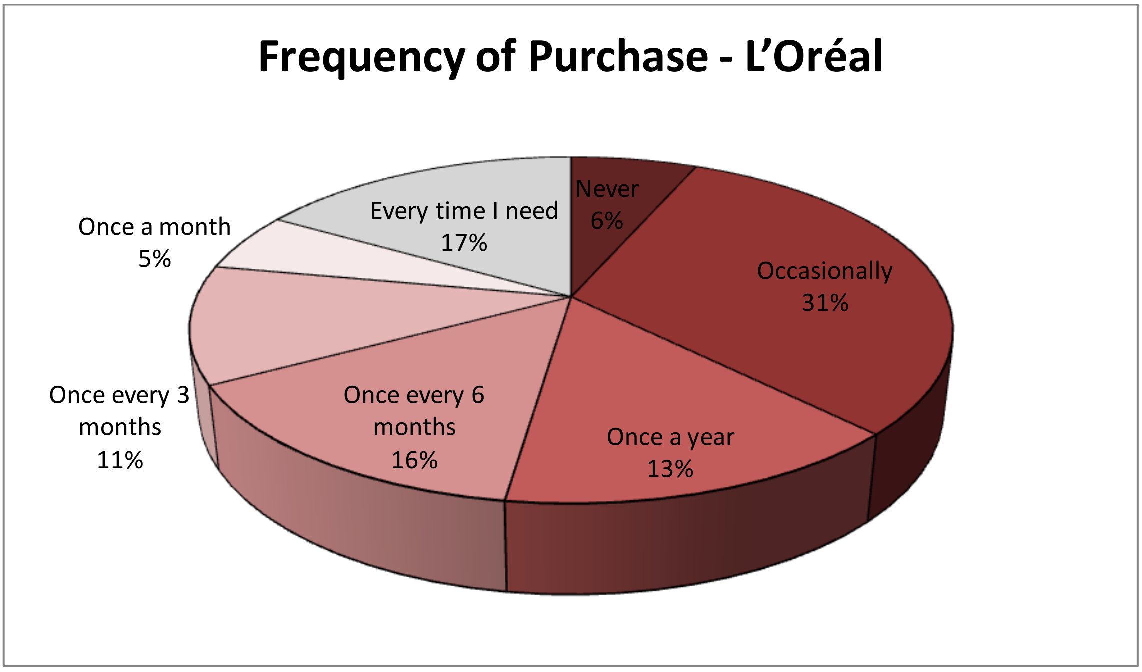
	EC16	EC17	EC18	EC19	EC20	EC21	EC22	EC23	EC24	EC25	EC26	EC27	EC28	EC29	EC30
EC1															
EC2															
EC3															
EC4															
EC5															
EC6															
EC7															
EC8															
EC9															
EC10															
EC11															
EC12															
EC13															
EC14															
EC15															
EC16	1.000														
EC17	.658	1.000													
EC18	.494	.509	1.000												
EC19	.587	.750	.571	1.000											
EC20	.470	.748	.499	.751	1.000										
EC21	.526	.611	.466	.663	.606	1.000									
EC22	**-.203**	**-.339**	**-.262**	**-.359**	**-.304**	**-.283**	1.000								
EC23	.540	.583	.666	.601	.569	.626	**-.257**	1.000							
EC24	.393	.527	.453	.501	.546	.440	**-.108**	.514	1.000						
EC25	.227	.453	.458	.346	.349	.332	**-.137**	.391	.212	1.000					
EC26	.275	.323	.241	.303	.332	.335	**.051**	.191	.358	.449	1.000				
EC27	.040	.212	.016	.223	.288	.312	**-.031**	.165	.359	.313	.478	1.000			
EC28	.424	.411	.424	.473	.512	.511	**-.129**	.570	.553	.454	.456	.461	1.000		
EC29	.237	.404	.279	.382	.388	.444	**-.017**	.350	.489	.421	.495	.695	.585	1.000	
EC30	.227	.412	.338	.396	.450	.465	**-.067**	.371	.502	.302	.439	.546	.530	.834	1.000

Appendix 6 - Sample

6.1 The Body Shop



6.2 L'Oréal



Appendix 7 – The Body Shop Hypotheses

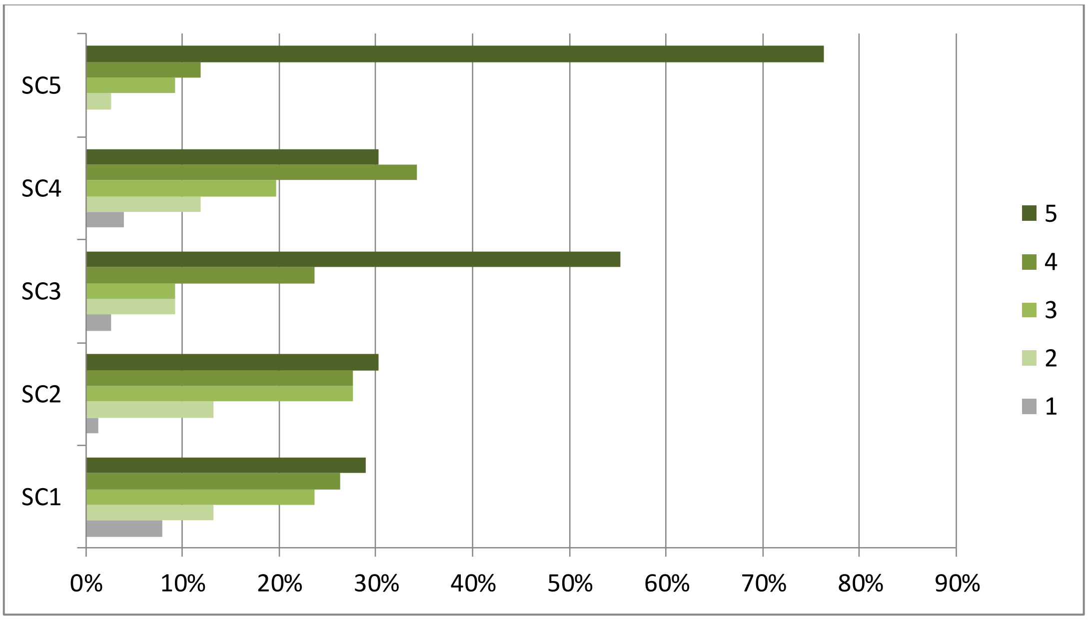
Hypothesis 1: The Body Shop consumers are positively influenced by company's socially responsible practices.

The Body Shop Consumers (samples T_{bs})

Table 7.1 – how consumers evaluated each one of the scale items – in percentage, where 1= strongly disagree and 5= strongly agree).

	1	2	3	4	5	Average
SC1	8%	13%	24%	26%	29%	3.52
SC2	1%	13%	28%	28%	30%	3.74
SC3	3%	9%	9%	24%	55%	**4.21**
SC4	4%	12%	20%	34%	30%	3.77
SC5	0%	3%	9%	12%	76%	**4.61**

Graphic 7.1 - how consumers evaluated each one of the scales – in percentage

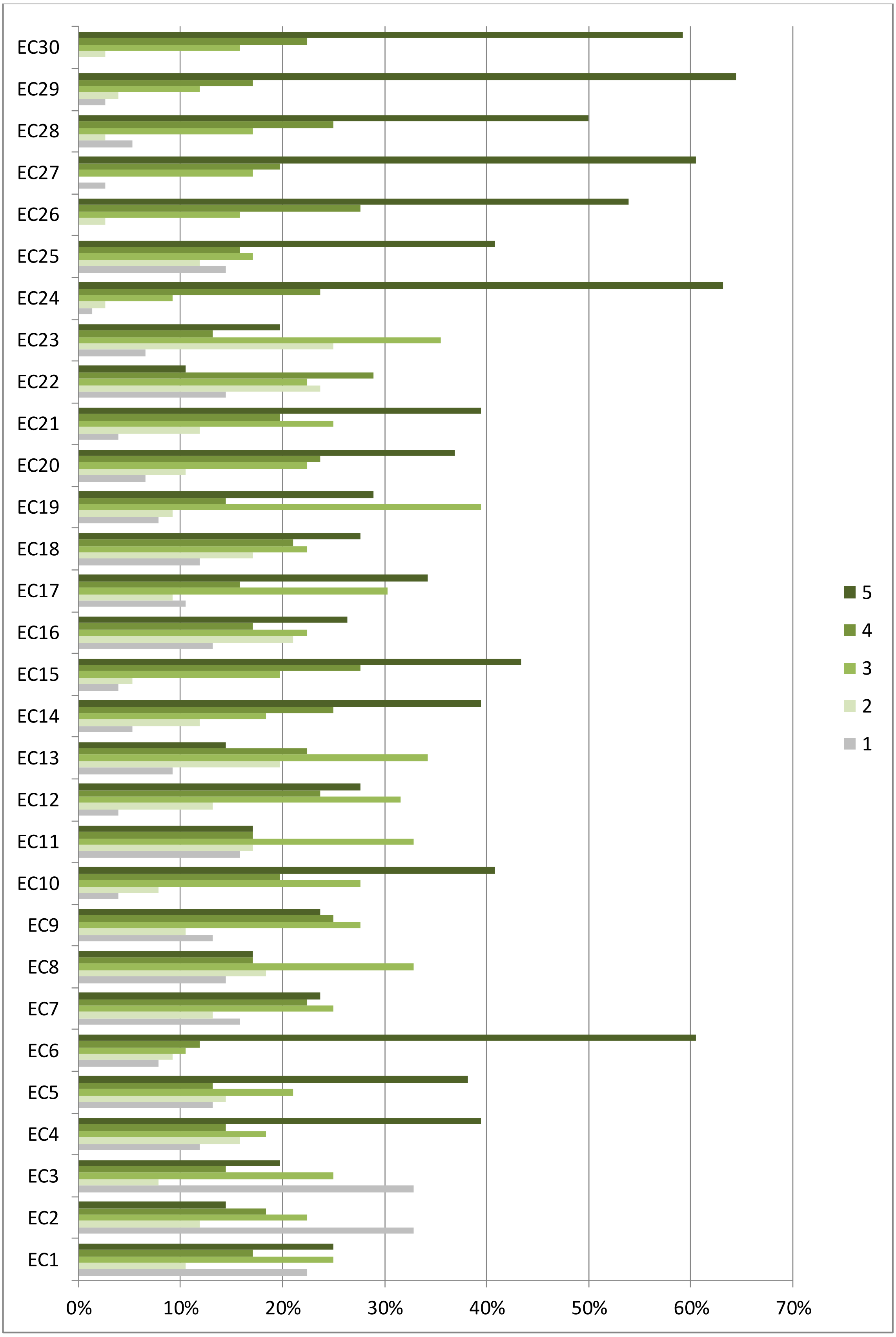


Hypothesis 2: The Body Shop consumers are environmental-conscious

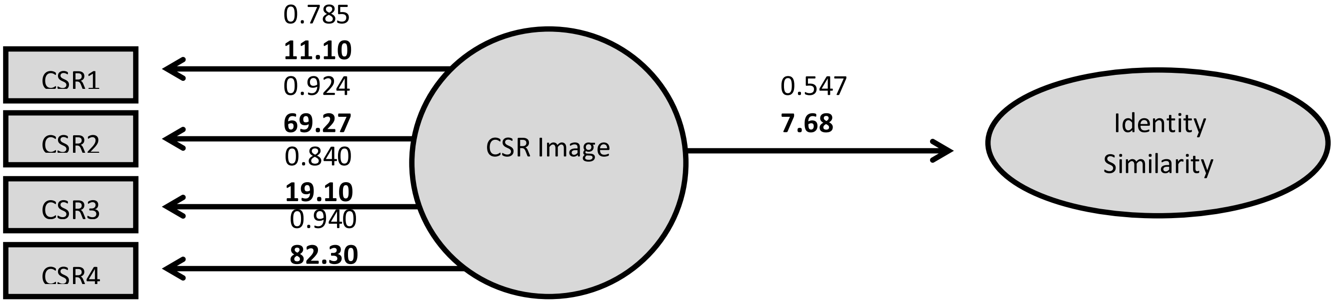
Table 7.2 – how consumers evaluated each one of the scales – in percentage, where 1= strongly

	1	2	3	4	5	Average
EC1	22%	11%	25%	17%	25%	3.08
EC2	33%	12%	22%	18%	14%	2.65
EC3	33%	8%	25%	14%	20%	2.78
EC4	12%	16%	18%	14%	39%	3.53
EC5	13%	14%	21%	13%	38%	3.47
EC6	8%	9%	11%	12%	61%	**4.08**
EC7	16%	13%	25%	22%	24%	3.26
EC8	14%	18%	33%	17%	17%	3.06
EC9	13%	11%	28%	25%	24%	3.34
EC10	4%	8%	28%	20%	41%	**3.88**
EC11	16%	17%	33%	17%	17%	3.04
EC12	4%	13%	32%	24%	28%	3.60
EC13	9%	20%	34%	22%	14%	3.14
EC14	5%	12%	18%	25%	39%	3.82
EC15	4%	5%	20%	28%	43%	**4.01**
EC16	13%	21%	22%	17%	26%	3.22
EC17	11%	9%	30%	16%	34%	3.58
EC18	12%	17%	22%	21%	28%	3.35
EC19	8%	9%	39%	14%	29%	3.48
EC20	7%	11%	22%	24%	37%	3.74
EC21	4%	12%	25%	20%	39%	3.75
EC22	14%	24%	22%	29%	11%	2.91
EC23	7%	25%	36%	13%	20%	3.12
EC24	1%	3%	9%	24%	63%	**4.45**
EC25	14%	12%	17%	16%	41%	3.57
EC26	0%	3%	16%	28%	54%	**4.32**
EC27	3%	0%	17%	20%	61%	**4.36**
EC28	5%	3%	17%	25%	50%	**4.14**
EC29	3%	4%	12%	17%	64%	**4.39**
EC30	0%	3%	16%	22%	59%	**4.36**

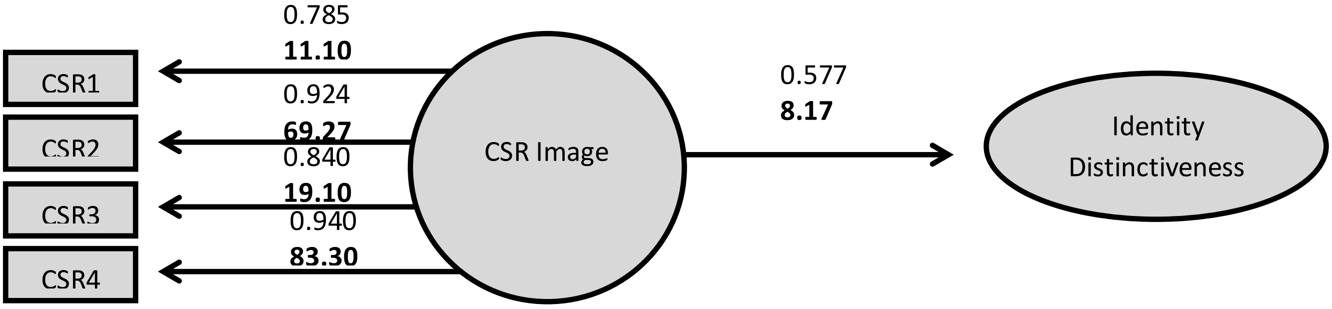
Graphic 7.2 - how consumers evaluated each one of the scales – in percentage



Hypothesis 3: Perceived CSR Image positively influences Identity Similarity



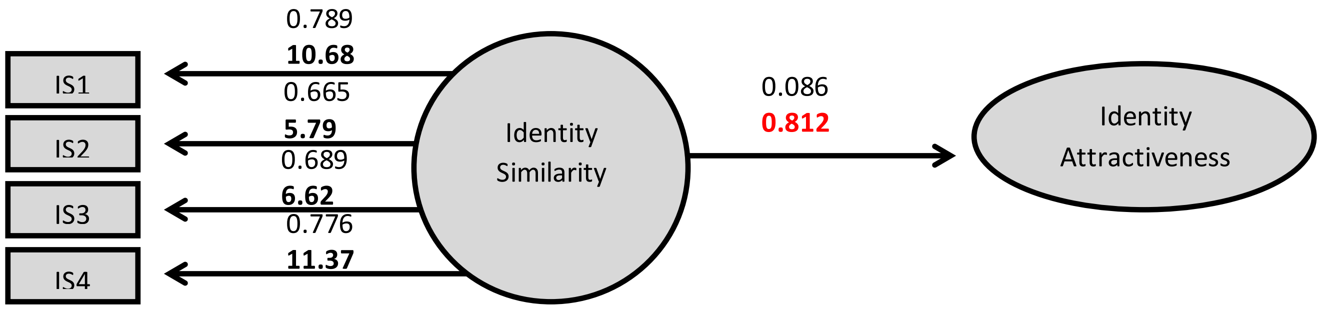
Hypothesis 4: Perceived CSR Image positively influences Identity Distinctiveness



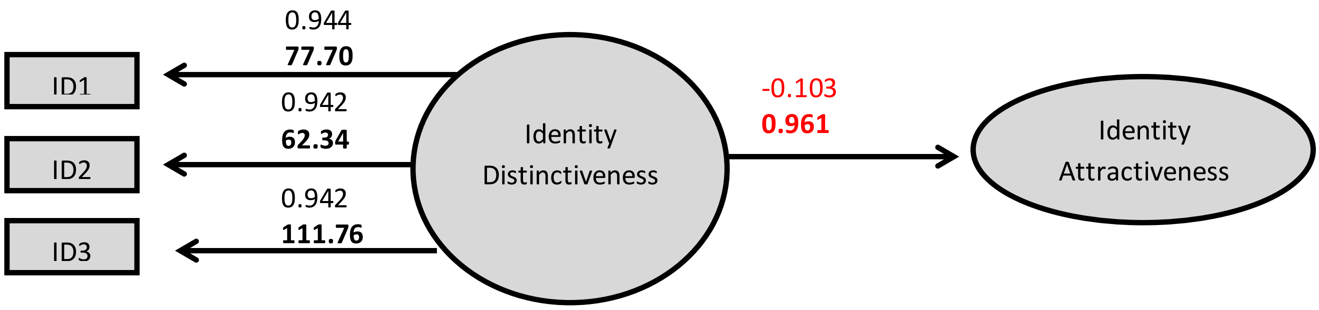
Hypothesis 5: Perceived CSR Image positively influences Identity Coherence

Hypothesis 6: Perceived CSR Image positively influences Identity Trustworthiness.

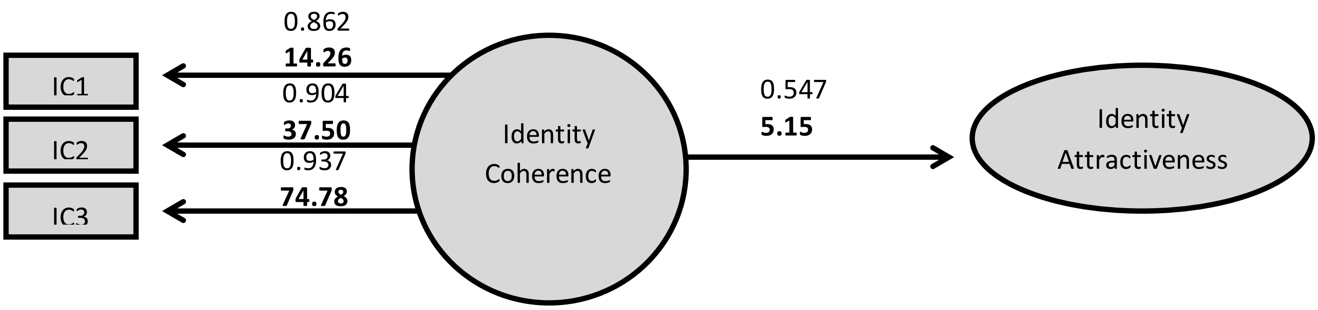
Hypothesis 7: Identity Attractiveness is positively influenced by Identity Similarity



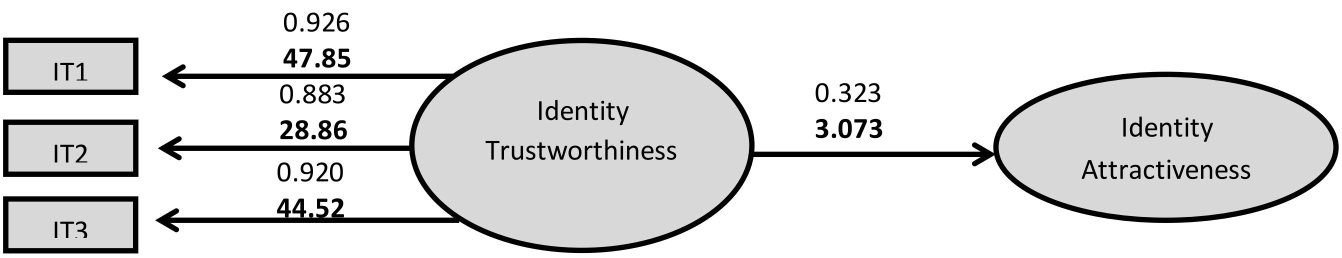
Hypothesis 8: Identity Attractiveness is positively influenced by Identity Distinctiveness



Hypothesis 9: Identity Attractiveness is positively influenced by Identity Coherence

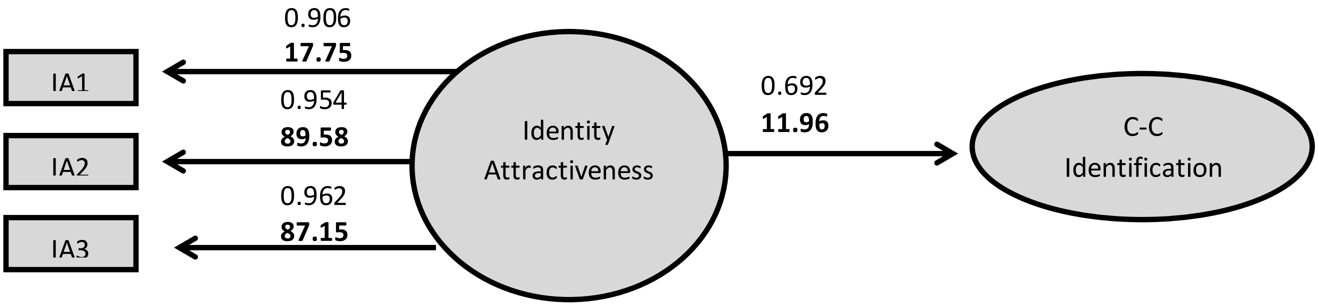


Hypothesis 10: Identity Attractiveness is positively influenced by Identity trustworthiness

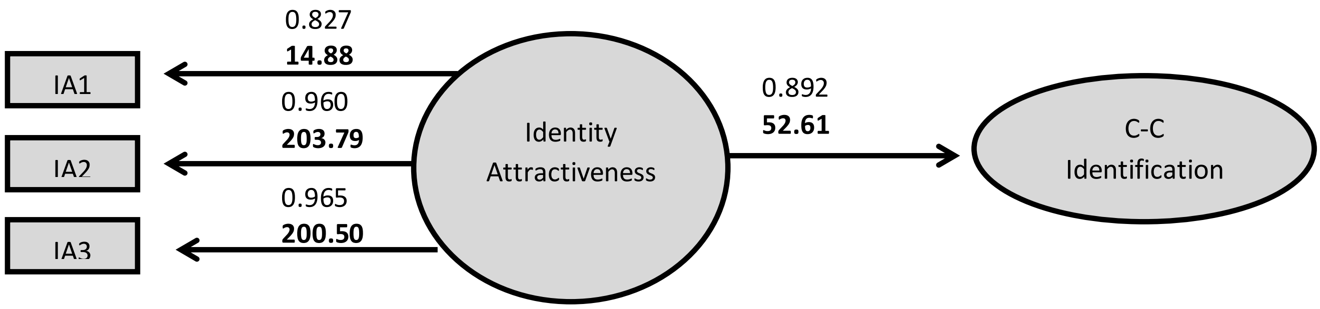


Hypothesis 11: Identity Attractiveness positively influences Consumer-Company Identification

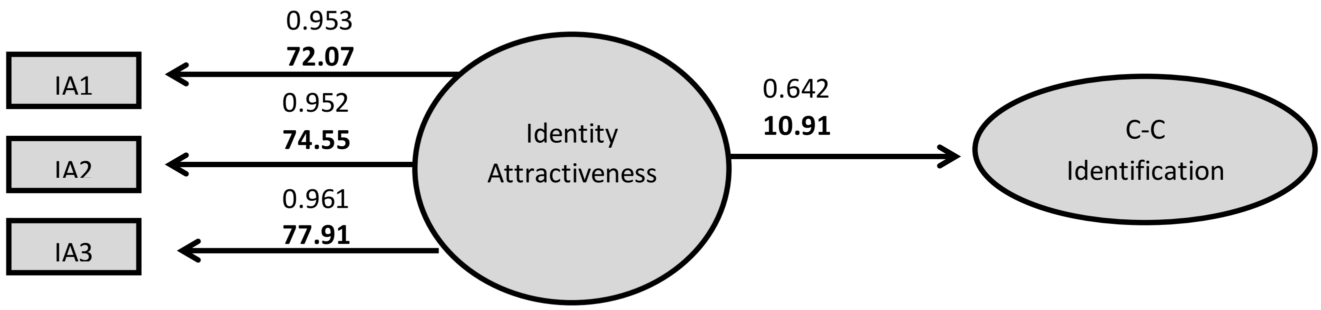
Sample T_{bs}



Sub-Sample Y_{bs}



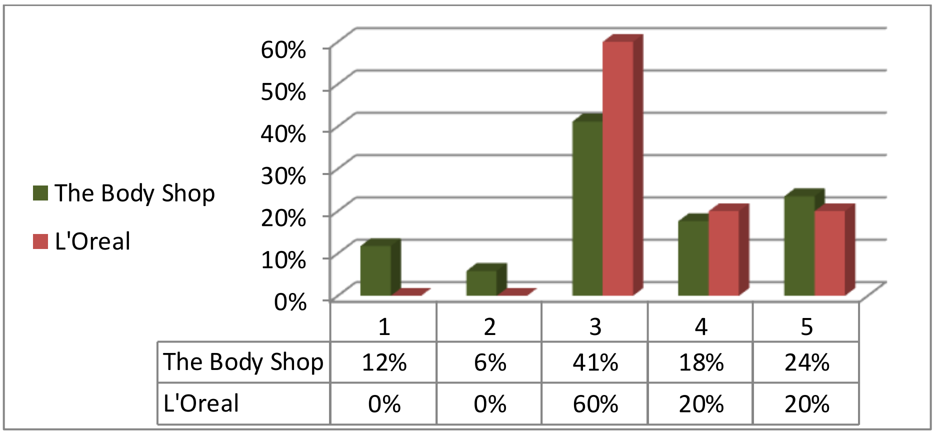
Sub-sample N_{bs}



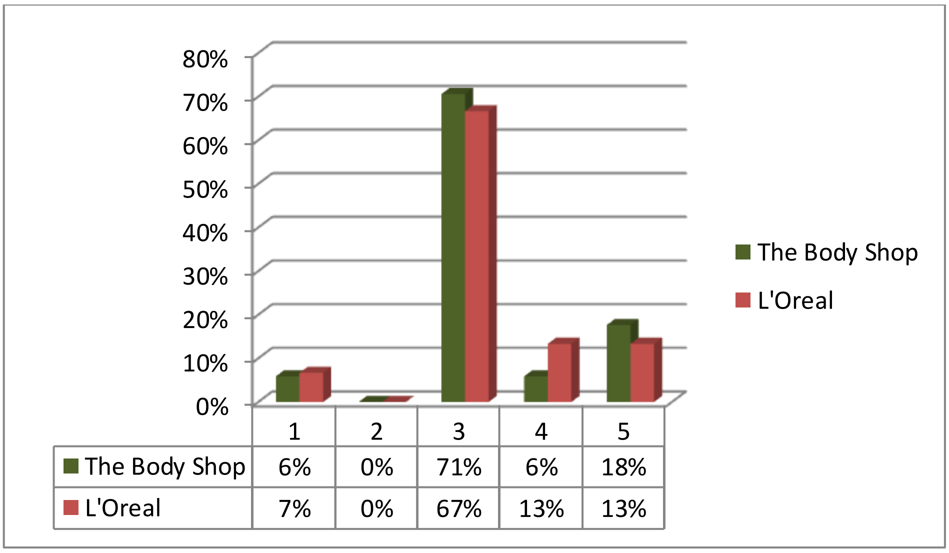
Hypothesis 12: The acquisition positively influenced C-C identification for both the acquiring and the acquired company.

Sample Y_{bs}

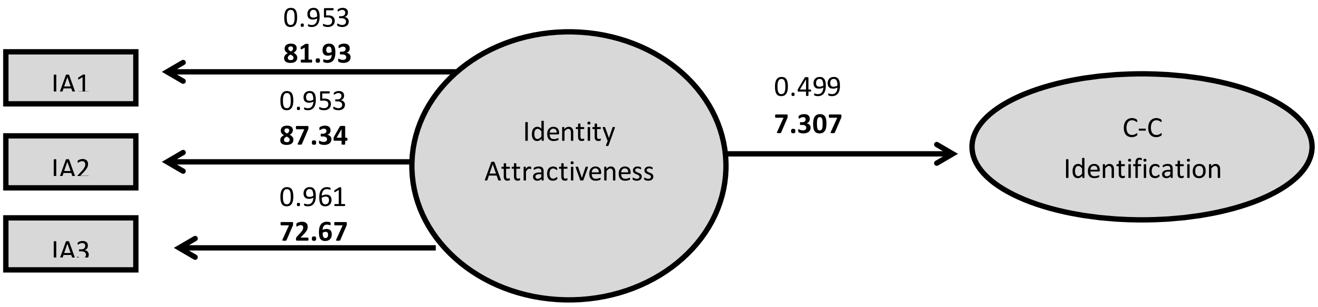
Way that this acquisition affected consumers' perception about the brand (1= Negatively, 5= Positively).



Way that this acquisition affected consumers' purchase frequency (1= Negatively, 5= Positively)



Sample N_{bs}



Appendix 8– L'Oréal Hypotheses

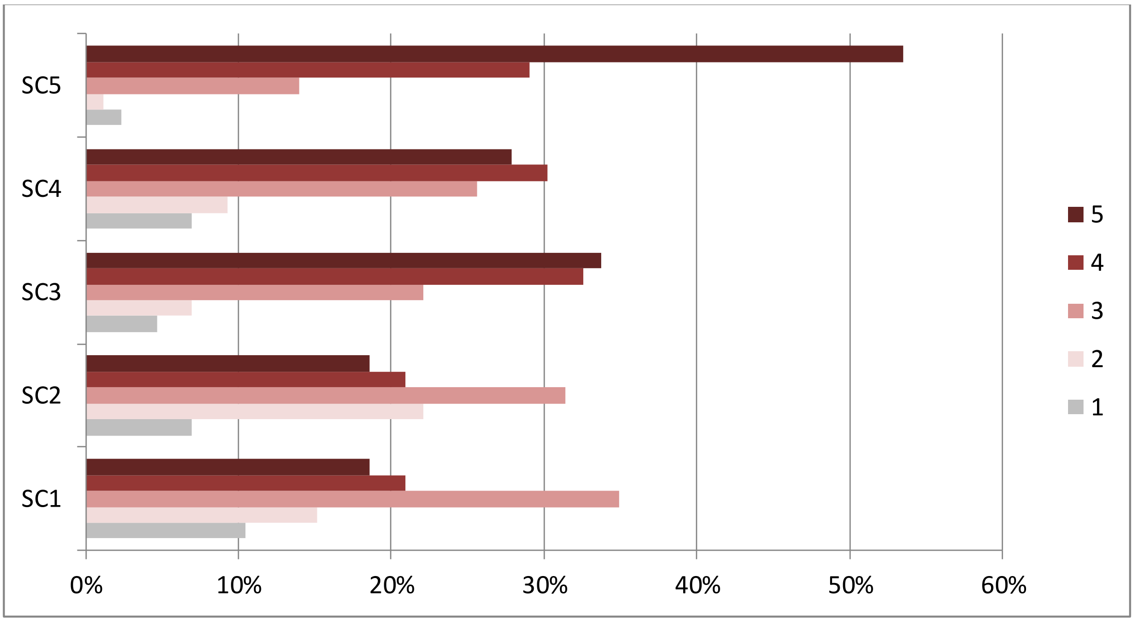
Hypothesis 1: L'Oréal consumers are positively influenced by company's socially responsible practices.

L'Oréal consumers (sample T_L)

Table 8.1 – how consumers evaluated each one of the scale items – in percentage, where 1= strongly disagree and 5= strongly agree).

	1	2	3	4	5	Average
SC1	10%	15%	35%	21%	19%	3.22
SC2	7%	22%	31%	21%	19%	3.20
SC3	5%	7%	22%	33%	34%	3.83
SC4	7%	9%	26%	30%	28%	3.61
SC5	2%	1%	14%	29%	53%	4.32

Graphic 8.1 - how consumers evaluated each one of the scales – in percentage

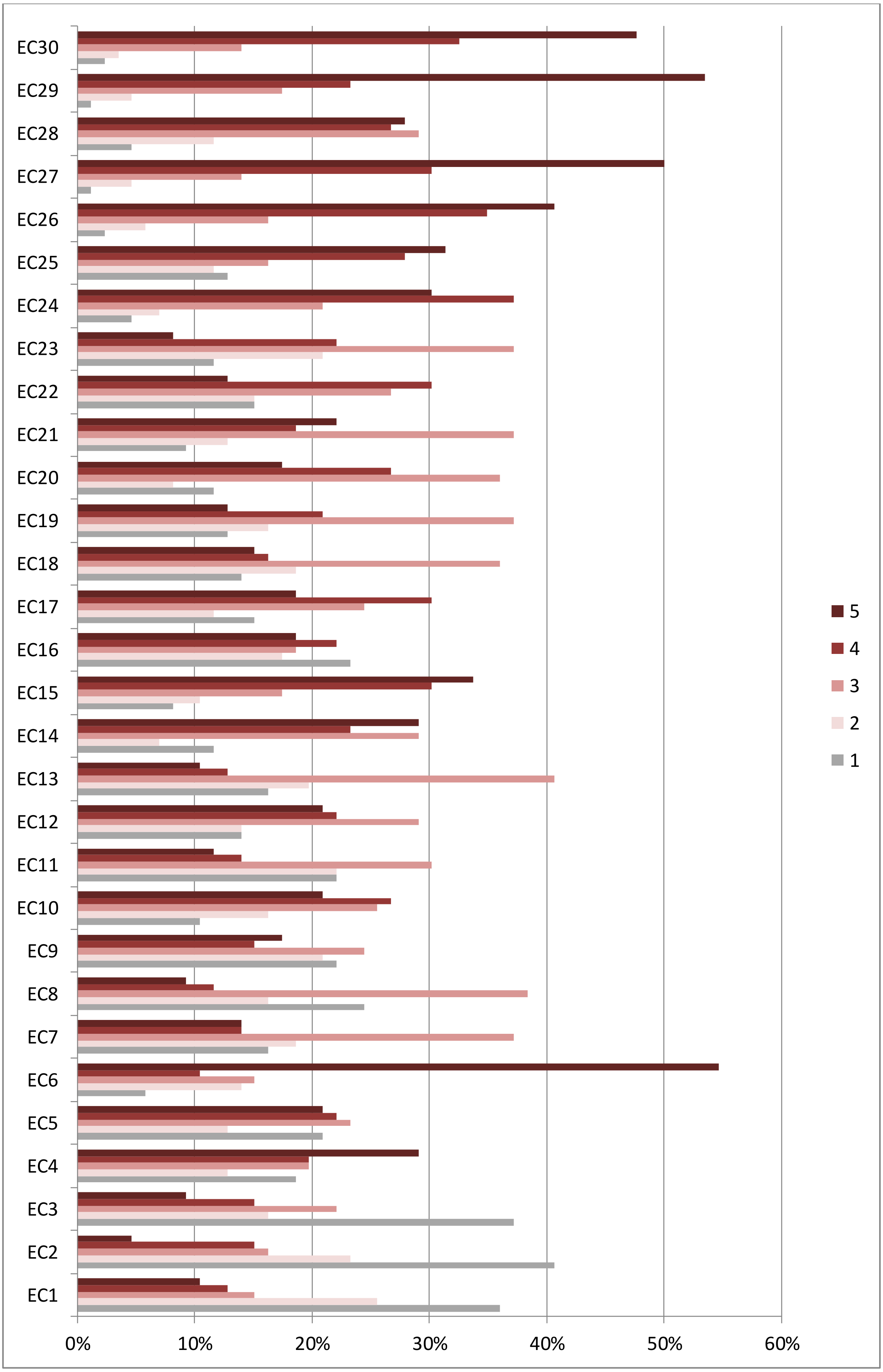


Hypothesis 2: L'Oréal consumers are environment-conscious

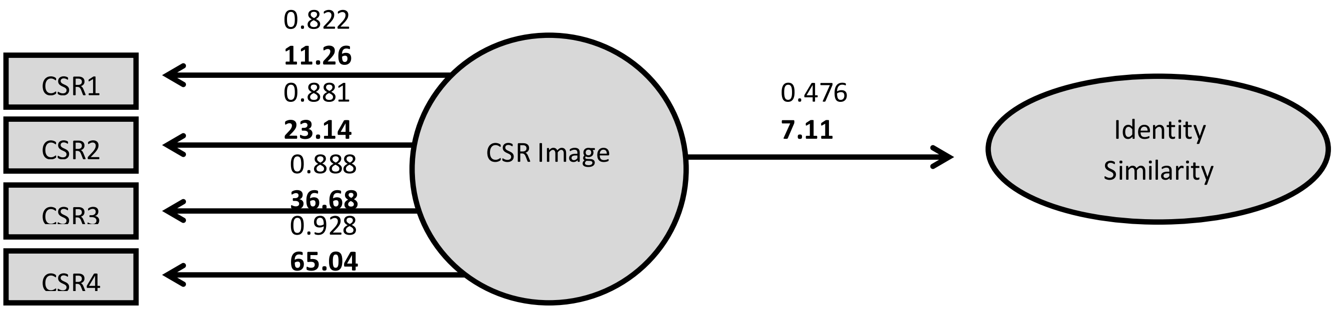
Table 8.2 – how consumers evaluated each one of the scales – in percentage, where 1= strongly disagree and 5= strongly agree).

	1	2	3	4	5	Average
EC1	36%	26%	15%	13%	10%	2.41
EC2	41%	23%	16%	15%	5%	2.20
EC3	37%	16%	22%	15%	9%	2.41
EC4	19%	13%	20%	20%	29%	3.28
EC5	21%	13%	23%	22%	21%	3.11
EC6	6%	14%	15%	10%	55%	**3.98**
EC7	16%	19%	37%	14%	14%	2.93
EC8	24%	16%	38%	12%	9%	2.63
EC9	22%	21%	24%	15%	17%	2.91
EC10	10%	16%	26%	27%	21%	3.33
EC11	22%	22%	30%	14%	12%	2.74
EC12	14%	14%	29%	22%	21%	3.23
EC13	16%	20%	41%	13%	10%	2.82
EC14	12%	7%	29%	23%	29%	3.47
EC15	8%	10%	17%	30%	34%	3.68
EC16	23%	17%	19%	22%	19%	2.94
EC17	15%	12%	24%	30%	19%	3.23
EC18	14%	19%	36%	16%	15%	2.98
EC19	13%	16%	37%	21%	13%	3.07
EC20	12%	8%	36%	27%	17%	3.33
EC21	9%	13%	37%	19%	22%	3.29
EC22	15%	15%	27%	30%	13%	3.08
EC23	12%	21%	37%	22%	8%	2.92
EC24	5%	7%	21%	37%	30%	**3.86**
EC25	13%	12%	16%	28%	31%	3.56
EC26	2%	6%	16%	35%	41%	**4.10**
EC27	1%	5%	14%	30%	50%	**4.28**
EC28	5%	12%	29%	27%	28%	3.70
EC29	1%	5%	17%	23%	53%	**4.25**
EC30	2%	3%	14%	33%	48%	**4.23**

Graphic 8.2 - how consumers evaluated each one of the scales – in percentage

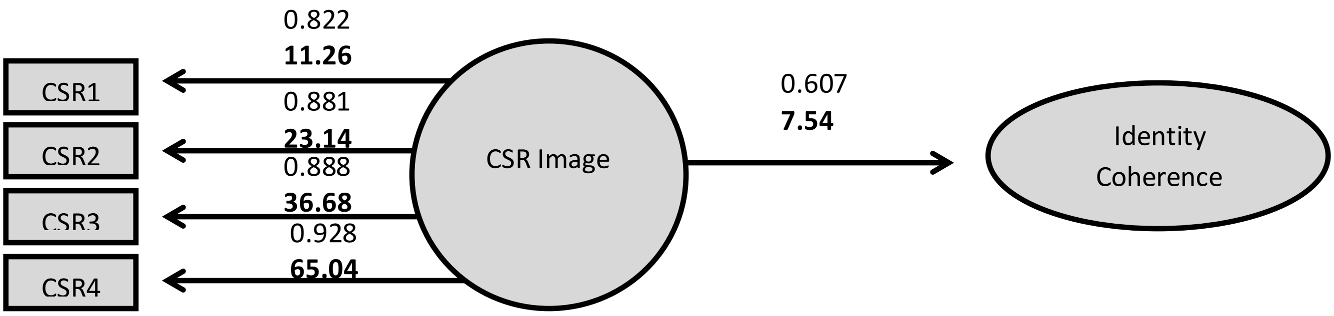


Hypothesis 3: Perceived CSR Image positively influences Identity Similarity



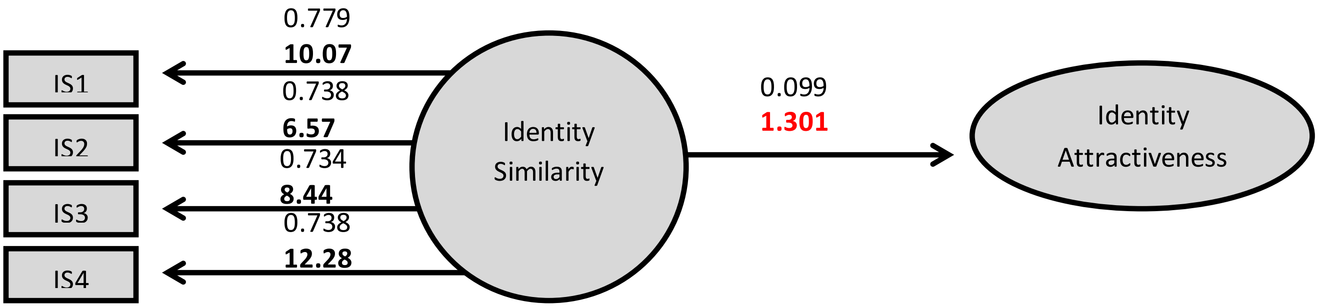
Hypothesis 4: Perceived CSR Image positively influences Identity Distinctiveness

Hypothesis 5: Perceived CSR Image positively influences Identity Coherence

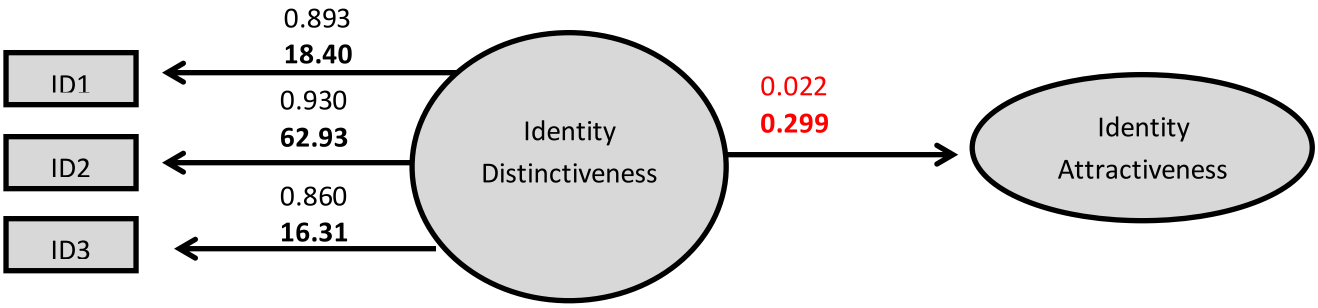


Hypothesis 6: Perceived CSR Image positively influences Identity Trustworthiness.

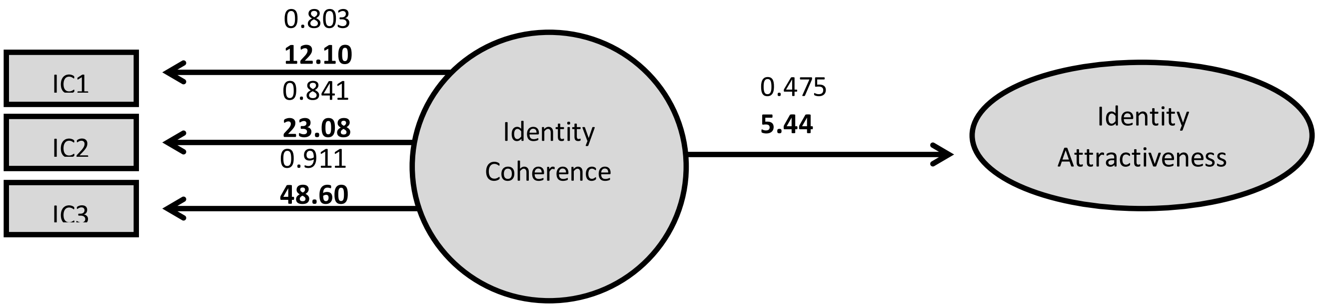
Hypothesis 7: Identity Attractiveness is positively influenced by Identity Similarity



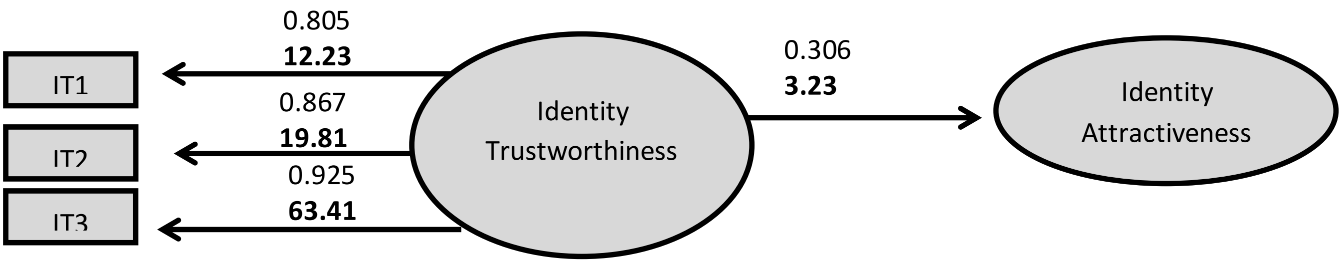
Hypothesis 8: Identity Attractiveness is positively influenced by Identity Distinctiveness



Hypothesis 9: Identity Attractiveness is positively influenced by Identity Coherence

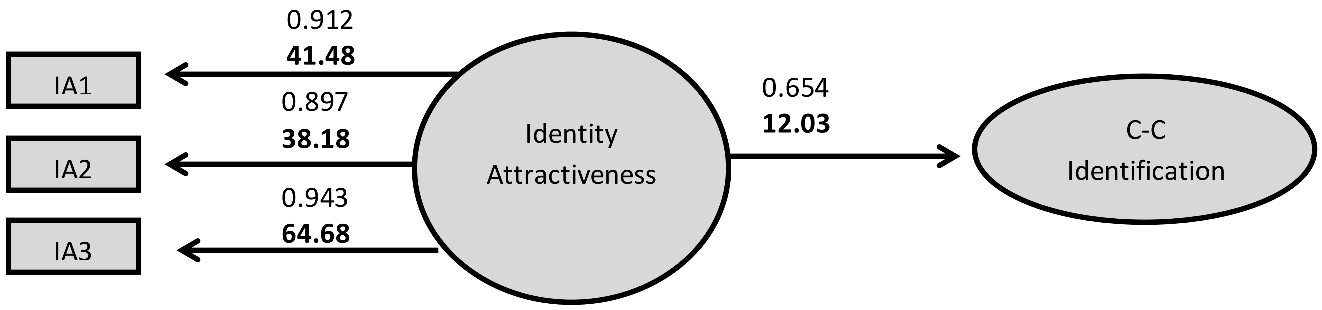


Hypothesis 10: Identity Attractiveness is positively influenced by Identity trustworthiness

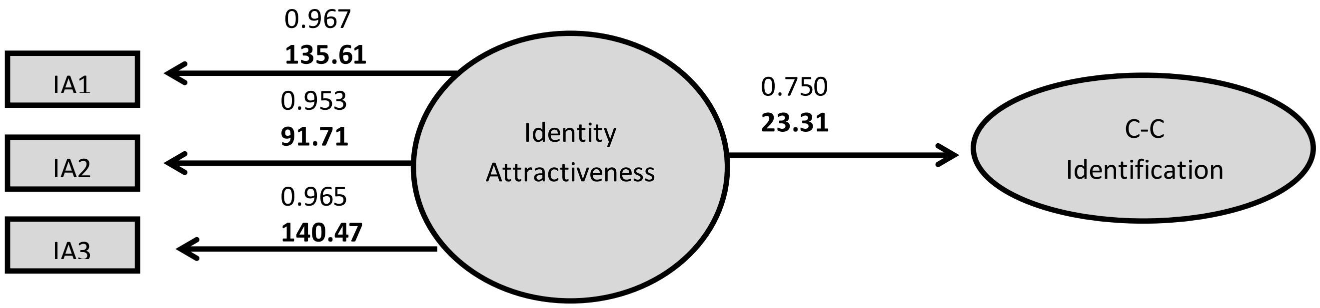


Hypothesis 11: Identity Attractiveness positively influences Consumer-Company Identification

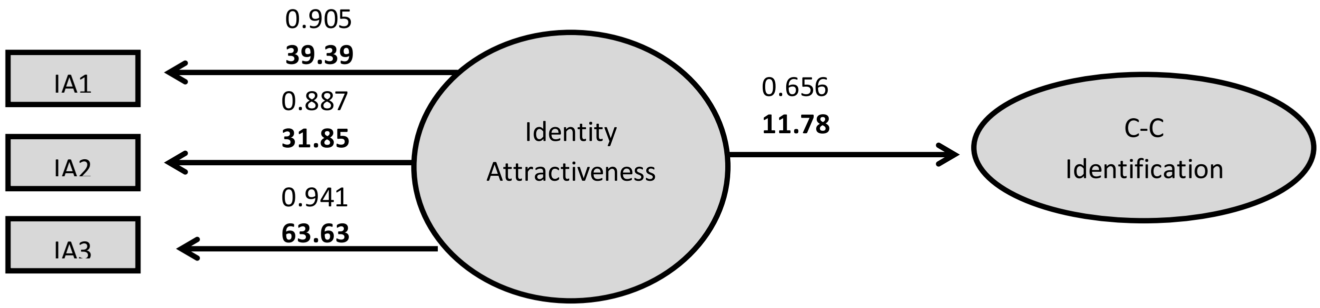
Sample T_L



Sub-Sample Y_L



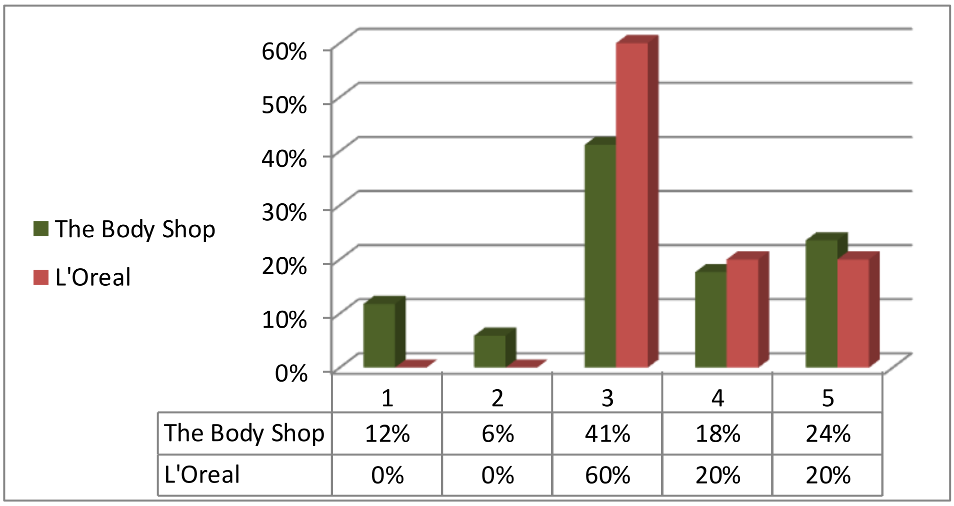
Sub-sample N_L



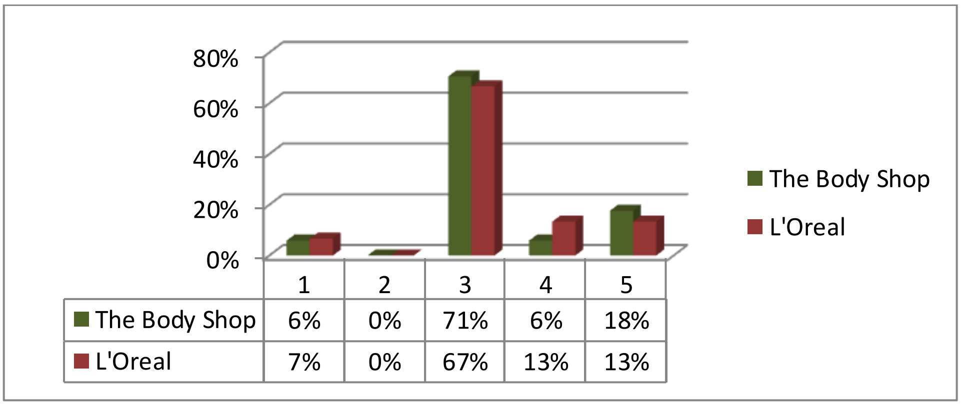
Hypothesis 12: The acquisition positively influenced C-C identification for both the acquiring and the acquired company.

<u>Sample Y_{bs}</u>

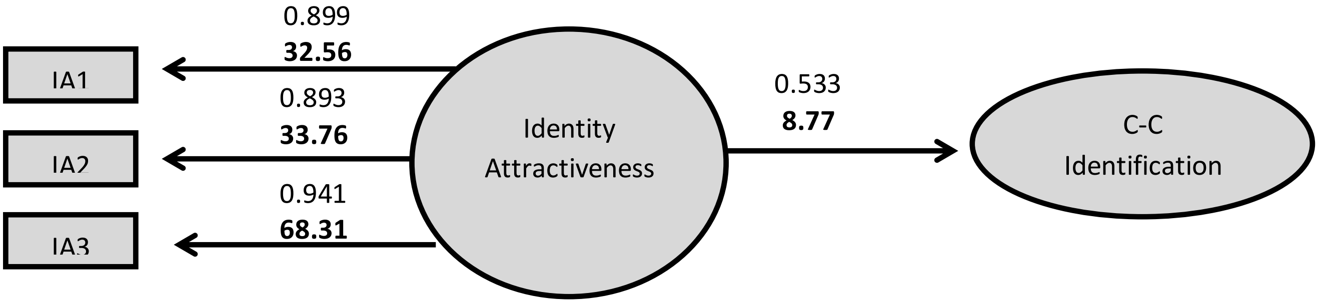
Way that this acquisition affected consumers' perception about the brand (1=Negatively. 5= Positively)



Way that this acquisition affected consumers' frequency of purchase (1=Negatively. 5= Positively)



<u>Sample N_L</u>



Appendix 9– Other results

9.1 Characteristics that influence The Body Shop consumers' purchase intention:

	Low influence		Indifferent		High influence
Quality	4%	0%	4%	25%	67%
Ingredients	9%	4%	16%	31%	40%
Promotion	5%	4%	18%	25%	48%
Image	4%	3%	21%	20%	52%
Price	4%	5%	27%	22%	52%
Diversity	7%	3%	24%	37%	29%
Packaging	11%	18%	24%	33%	14%
CSR	14%	15%	25%	21%	25%
Values	9%	12%	29%	26%	24%

9.2 Characteristics that influence L'Oréal consumers' purchase intention:

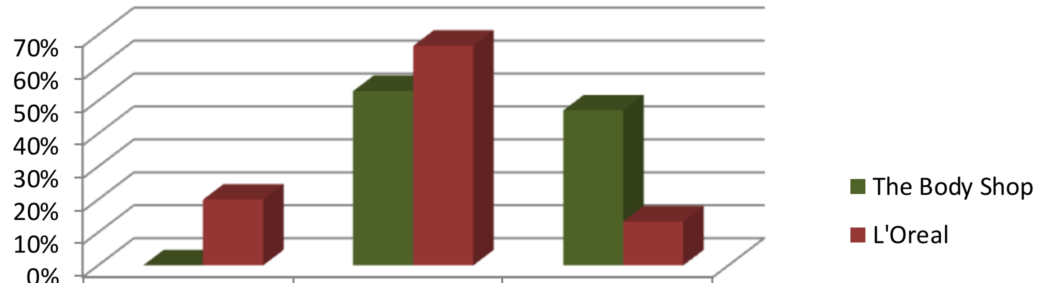
	Low influence		Indifferent		High influence
Quality	2%	1%	8%	36%	53%
Ingredients	17%	23%	26%	23%	11%
Promotion	4%	13%	22%	33%	28%
Image	10	18%	30%	29%	13%
Price	4%	5%	27%	22%	52%
Diversity	7%	15%	22%	33%	23%
Packaging	16%	31%	32%	15%	6%
CSR	16%	29%	28%	17%	10%
Values	15%	24%	23%	23%	15%

9.3 Ranking of the characteristics that consumers most value when purchasing in each brand (from the 1st until the 9th)

The Body Shop	Ranking	L'Oréal
Quality	1º	Quality
Price	2º	Price
Promotion	3º	Promotion
Ingredients	4º	Diversity
Diversity	5º	Image
Values	6º	Values
Image	7º	Ingredients
CSR	8º	CSR practices
Packaging	9º	Packaging

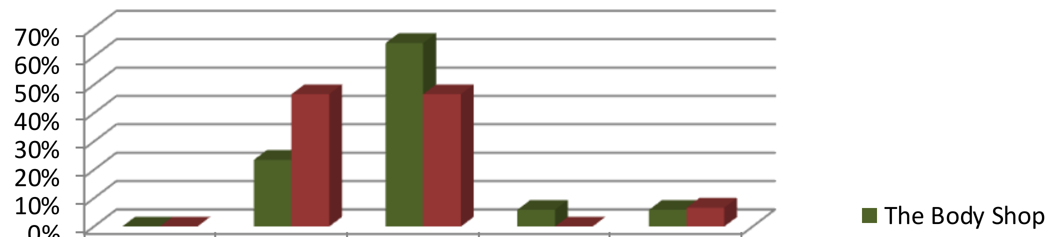
Appendix 10 – Sub-sample Yx information

10.1 Time when consumers were aware of the acquisition



	At the time it happened	In the past 6 months	Few time after it happened
The Body Shop	0%	53%	47%
L'Oreal	20%	67%	13%

10.2 The way consumers acknowledge the acquisition



	Brand's Communi cation	Internet	Other people	By following every step of the brand	Others
The Body Shop	0%	24%	65%	6%	6%
L'Oreal	0%	47%	47%	0%	7%